



Flat's new culture
How deep and durable
is the evolution?
Management, Page 8



High-tech anxiety
Danger zone: infatuation
with innovation
Economics Eye, Page 20



After Kim Il-sung
What next for
North Korea?
Pages 5, 15



Mr Soccer USA
Alan Rothenberg scores
big in the World Cup
Page 20

FINANCIAL TIMES

Europe's Business Newspaper

MONDAY JULY 11 1994

D8523A

Israel on brink of showdown with illegal settlers

Israeli premier Yitzhak Rabin has sent hundreds of soldiers to the Kiryat Arba Jewish settlement and sealed off the West Bank, in what could be Israel's first armed showdown with extremist Jewish settlers. The move came on the eve of the permanent homecoming of Yasser Arafat, the Palestine Liberation Organisation chairman.

Several hundred Israeli troops were braced to forcibly evict radical settlers who broke into and illegally occupied three vacant government-built apartment houses near Kiryat Arba settlement. The action was in protest at Israeli peace moves and the killing of a Jewish teenager by a Palestinian. Page 16

VW wins \$300m subsidy in Spain: Volkswagen, the German car group, has won Ptas40bn (\$300m) in state subsidies for Seat, its loss-making Barcelona subsidiary, after 10 weeks of bargaining with the Spanish government. Other companies are now likely to press for similar funding. Page 16

US tough line on Haiti: William Gray, US president Bill Clinton's adviser on Haiti, said resolution of the island's crisis had now become "a vital interest" to the peace and stability of the western hemisphere. He warned that the military dictatorship, from which 10,000 Haitians fled last week, would not be allowed to remain in power. Page 4

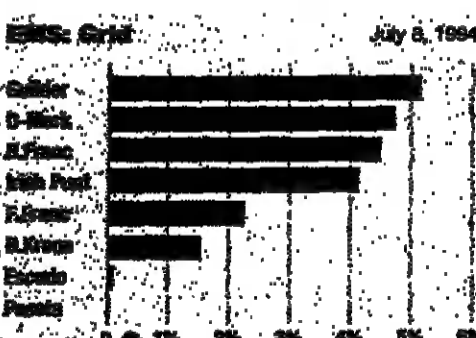
EC to encourage mobile telecoms: The European Commission is expected to show its determination to speed up the liberalisation of Europe's telecommunications industry by forcing through legislation that will let mobile telecoms operators build their own networks. Page 8

Matra may buy Bae space arm: British Aerospace and Matra Marconi Space are to hold a new round of negotiations in Paris this week over the possible sale of Bae's space systems division to the joint venture company between the French Legardere technology and media group and the UK's General Electric Company. Page 19

Fokker to receive F119s: Fokker, the loss-making Dutch aircraft maker, is to receive around P1.1bn (\$550m) from its majority shareholder, Deutsche Aerospace of Germany, and from the Dutch government. Page 19

UK gifts rise in fund managers' favour: UK fund managers are increasingly optimistic about UK gilts and equities and Japanese equities. They also view the recent weakness in bonds and equities as a good buying opportunity, rather than an ill omen, according to a survey of leading UK investment funds. Page 19

European Monetary System: Dollar weakness and D-Mark strength caused a shake-up at the top of the EMS grid last week. The Irish punt slipped from first to fourth place, the Dutch guilder rose from second to first, and the D-Mark climbed to second spot above the Belgian franc. The spread between the strongest and weakest currency, the peseta, remains near 5 per cent. Currencies, Page 27



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the system. Most of the currencies can fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the guilder which move in a narrow 2.25 per cent band.

Close presidential race in Ukraine: A close race is predicted between the two candidates in the election for Ukraine's presidency - the incumbent, president Leonid Kravchuk, and a former prime minister, Leonid Kuchma. Preliminary returns showed voting was especially heavy in fiercely nationalist western Ukraine. Page 3

Thousands flee in Rwanda: Hundreds of thousands of people are fleeing a rebel offensive in north-west Rwanda, creating a fresh humanitarian crisis outside the safe haven declared by French forces further south, aid workers said. France steps up plea for support. Page 4

Troops ordered out of Yemen: Yemeni president Ali Abdullah Saleh ordered northern troops out of the captured city of Aden and offered better ties to neighbouring Saudi Arabia, which backed the defeated south in Yemen's war.

Alitalia strike today: Italy's transport minister Publio Fiori failed to avert an airline workers' strike that threatened to ground most Alitalia flights and cause delays at some airports. Page 3

Reformer ahead in Belarus: Self-styled corruption buster Alexander Lukashenko seemed headed for victory in his drive to become the first president of the former Soviet republic of Belarus. Page 3

Caracas reopens exchanges: Limited foreign exchange transactions are expected to recommence in Venezuela today after suspension by government order for more than two weeks. Page 4

Austria	Sch22	Graco	D350	Lux	LP45	Oster	OP13.00
Belgium	Del120	Hong Kong	HK116	Malta	ML0.05	S.Africa	SP11
Denmark	DF45	Hungary	H116	Morocco	MO1.15	Singapore	SG1.30
Finland	FM14	Ireland	IR1218	Neth	R 4.00	South Africa	SA12.00
France	FR45	Italy	IT1000	Norway	NO17.00	Spain	SP12.00
Germany	DM10	Japan	JP100	Poland	PL0.10	Sweden	SE12.00
Greece	GR10	Korea	KR100	Portugal	PT20.00	Switzerland	CHF1.00
Ireland	IR1218	Lithuania	LT100	Romania	RO10.00	Taiwan	TW12.00
Italy	IT1000	Slovakia	SK100	Slovenia	SI10.00	Thailand	TH12.00
Japan	JP100	Slovenia	SI10.00	Turkey	TR10.00	USA	US1.00
Korea	KR100	Taiwan	TW12.00	UK	UK1.00		
Lithuania	LT100	USA	US1.00				

Luxembourg PM leads in race to succeed Delors

By Lionel Barber in Naples

The contest to succeed Mr Jacques Delors as president of the European Commission has narrowed to three candidates led by Mr Jacques Santer, the long-serving prime minister of Luxembourg.

Mr Santer, who has solid German support, has emerged as a potential compromise after informal contacts between the leaders of France, Germany, Italy and the UK at the weekend summit of the Group of Seven industrialised

nations in Naples. Senior European diplomats in Naples said it was possible that an agreement among the Twelve could be reached in the next few days, to be ratified at the special summit in Brussels on Friday called by the German presidency of the EU.

However, Mr Santer's success is by no means assured. He still faces challenges from Mr Poul Schluter, an experienced former Christian Democrat prime minister from Denmark, and Mr Giuliano Amato, the former Socialist

prime minister of Italy who steered his country through its recent political upheaval.

France also has misgivings about the Union's missing veto of Mr Jean-Luc Dehaene, the Belgian prime minister promoted by Paris and Bonn. France is resentful that Mr John Major, UK prime minister, has reaped a domestic political victory over his tone opposition to Mr Dehaene at last month's European summit in Corfu.

But Mr Kohl appears determined to strike a deal in time for the Commission president-designate to appear on schedule before the new European Parliament at its inaugural session on July 19 in Strasbourg.

"The chancellor does not want a crisis with the Parliament," said one senior EU diplomat. Further delay would disrupt the German presidency of the EU.

Mr Santer is a dark horse who has emerged after better known candidates such as Mr Dehaene, Mr Ruud Lubbers, the Dutch prime minister, and Mr Felipe

González of Spain have either been blocked or taken themselves out of the running.

His appeal lies in his Christian Democrat party background and his small-state credentials, both important factors after the 10-year reign of Mr Delors, a French socialist. He is also a Franco-phone, a vital concern to Paris.

Mr Santer's strongest card seems to be that he seems unlikely to offend anyone, although the Danes are unhappy that the Commission presidency may fall to Luxembourg for the

second time in 14 years. Mr Gaston Thorn, a former Luxembourg prime minister, preceded Mr Delors in 1981-85.

A senior Commission official warned yesterday that a deadlock between Mr Santer and Mr Schluter might force France and Germany to reconsider Mr Lubbers or Viscount Etienne Davignon, the former EU industry commissioner. Both Mr Lubbers and Mr Davignon are viewed as representing a strong Commission.

Germany's agenda, Page 16

Summit issues upbeat message on prospects for growth

G7 leaders welcome Russia as full partner

By Peter Norman and Robert Graham in Naples

The Group of Seven leading industrial democracies yesterday drew a line under the cold war era, embracing Russian president Boris Yeltsin as an equal partner in their annual review of international relations.

The leaders of the US, Japan, Germany, France, Britain, Italy and Canada, together with the president of the European Commission also sent a message of heightened optimism that their countries are back on a path of sustained, low inflationary growth. In spite of recent financial market turbulence over a weakening dollar, the Group of Seven abstained from commenting or offering the US currency over support.

However, using carefully co-ordinated speaking notes, G7 finance ministers stressed their belief that the dollar's fall was not warranted by economic fundamentals.

Mr Yeltsin's full participation at yesterday's "political G8" meeting and his agreement to a joint statement covering international flash points was hailed by fellow leaders as the summit's real achievement. Mr Yeltsin himself said that the recognition of Russia as a democratic state was the most important aspect of the summit for him.

On Bosnia, the most delicate issue for the G8, Mr Yeltsin

Dollar statement fails to convince...Page 2

Smiles all round in readiness for a scrap...Page 2

Observer...Page 15

joined in warning the warring factions to agree to the latest peace plan by July 19. According to his G7 partners, Mr Yeltsin accepted that Russia would exert maximum pressure on the Serbs, its traditional ally.

But the Russian president fiercely defended his country's sovereign interests in what has been described as the world's most exclusive club.

Speaking after the conference and bilateral talks with US President Bill Clinton, Mr Yeltsin called for the lifting of restrictions against Russian exports. "I threw off the red cloak a good three years ago," he said, reminding his audience that Russia should no longer be treated as a communist state.

Symbolising the new relationship with the industrialised nations, this year's summit was notable for the absence of any demand for economic hand-outs from the West. Instead, Mr Yeltsin persuaded the G7 that sharply lower inflation and greatly reduced budget deficits showed the Russian economy

Continued on Page 16

IBM plunges in year to foot of brand name value league

By Diane Summers, Marketing Correspondent, in London

IBM has plunged in one year from the third most valuable brand name in the world to the bottom of a league table of 290 brands, according to an annual survey that attempts the controversial task of evaluating "what's in a name".

Coca-Cola is ranked number one in the league table, with a brand name worth nearly \$35bn, followed by Marlboro (\$33bn), Nescafé (\$12bn), Kodak (\$10bn), and Microsoft (\$10bn).

The survey, to be published by US magazine Financial World on August 2, uses a complex formula to arrive at its rankings. After breaking down company earnings by brand, it then subtracts what it calculates would be earned on a basic, unbranded version of the product.

To that figure it applies a "brand strength" multiple based

on factors such as market position, degree of internationalisation and trends in the sector.

Using the formula - which was originally developed by Interbrand, the UK-based brand consultancy - the value of the Compaq name climbed 149 per cent in 1993 to a value of \$4bn and a league table position of 21, compared with a position of 65 in 1992.

Meanwhile, IBM's name now has a negative value, says Financial World. That means that plant and equipment expenses and taxes wiped out any brand earnings.

Other brands falling into this "negative worth" category include: Del Monte, Siemens, Corning, Krups, Moulinex, Michelin and Pirelli. The magazine says: "A competing generic product could have generated higher profits on the same level of sales."

Evaluating brands, and

attempts to capitalise them as intangible assets on balance sheets, is a controversial area. Last week Sir Michael Perry, chairman of Unilever, the Anglo-Dutch consumer products group, criticised "fancy brand accounting" in a speech in London to the Advertising Association.

"The seemingly miraculous conjuring up of intangible asset values, as if from nowhere, only serves to reinforce the view of the consumer sceptics, that brands are just about high prices and consumer exploitation. At Unilever we have consistently rejected this approach," he said.

Financial World points to IBM's failure to switch into personal computers, "and as PCs became more and more of a commodity, they began selling more and more on price". But it adds: "The fact that PCs are still referred to as 'IBM-compatible' is something IBM can capitalise on."

Week Ahead	10	Arts	13	Emerging Markets	21
Postcards	11	Business Travel	12	World Bond Markets	22
Leather Pipe	15	Auto Guide	13	Equity Markets	23
Letters	14	Crossword	34	FT World Activities	20
Observer	15	Competition	15, 16	Managed Funds	25-29
Management	8	UKVet	15, 16	Money Markets	29
Modelling	11	Illustrations		Share Information	30-31
Working LifeSport	9	The Markets	20	World Stock Markets	34



Mass mourning: The people of Pyongyang gather before a statue of Kim Il-sung to pay last respects to the dictator who died on Friday

Kim Jong-il poised to replace father

By John Burton in Seoul

Mr Kim Jong-il appeared ready to take control of North Korea yesterday after the death of his father, Kim Il-sung, as Radio Pyongyang urged the country's citizens to support the son as leader.

North Korean television aired scenes of thousands of weeping citizens bowing before the numerous statues of Mr Kim Il-sung erected around the country as part of the personality cult that was at the centre of his 46 years of rule.

The death of Mr Kim has led to the suspension of negotiations between the US and North Korea, which has also postponed a summit with the South Korean leadership designed to ease tensions on the Korean peninsula.

Western leaders were quick to send conciliatory signals to North Korea.

In Naples for the Group of Seven summit, US President Bill Clinton said he had conveyed to

Pyongyang his "deep appreciation" of the role the late leader had played in resuming a dialogue between the US and North Korea. He emphasised his desire to avoid the "isolation and misunderstanding" of the past between the two countries.

The US and its allies also made clear, however, that they would continue to press North Korea over its suspected nuclear weapons programme.

South Korean officials predicted that Mr Kim Jong-il would succeed his father in the powerful position of general secretary

of the ruling Korean Workers' party, which controls the government and military. But he may allow an elderly official to assume the figurehead position of president.

Mr Kim, 52, believed to represent a younger generation of technocrats, needs to forge a political alliance with the conservative leaders of his father's generation to ensure his control.

He lacks the revolutionary credentials of his father, and while already commander-in-chief of the North Korean armed forces, he is believed to have failed to

achieve complete control of the military.

The KWP and the North Korean parliament are expected to hold emergency sessions in Pyongyang as early as today to elect a general secretary and president. Preparations continued for the funeral next Sunday of the late president, whose death was announced at noon on

Continued on Page 16

Obituary and further reports, Page 5

A future in the balance, Page 15

Cartoon, Guide to the Week

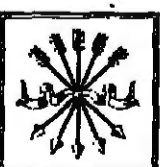
This advertisement appears as a matter of record only.

EASTERN ELECTRICITY

Eastern Electricity plc

£350,000,000

8 3/8 per cent Bonds due 2004



N M Rothschild & Sons Limited advised

Eastern Electricity on this issue and on the subsequent buy-back of £18 million of its Government debt due 1999 and 2008.

May 1994

THE GROUP OF SEVEN SUMMIT

Smiles all round in readiness for a scrap next year

Peter Norman reports on harmony in Naples as G7 leaders agree to look at what world institutions are needed

It was a case of smiles all round at this year's double-decker summit in Naples of the Group of Seven and the "political G8" comprising the G7 plus Russia.

The marked improvement of the industrial world's economy, the completion of the Uruguay Round of trade liberalisation talks earlier this year and the absence of any truly bruising rows made for a harmonious, if rather bland, gathering.

Next year could be different. When they meet in Halifax, Nova Scotia, the leaders of the US, Japan, Germany, France, Britain, Italy and Canada will begin reviewing the institutions of global co-operation with the intention of making them more suitable for the post-cold-war world. Taken to its logical conclusion, this could mean big changes for some of the smaller members of the G7 club.

The world has been transformed since the first economic summit in 1975. Communism has collapsed and the countries of east Asia have emerged as an economi-

cally potent force. Globalisation has greatly increased the interdependence of industrialised and industrialising countries alike. Mr John Major, UK prime minister, said yesterday that the international situation was changing at "bewildering speed".

And yet, as President Bill Clinton pointed out on Saturday, the links among countries are governed and regulated largely by institutions "that we settled on at the end of World War Two".

With this in mind, the G7 agreed in its communiqué that next year's summit will ask what institutions will be required to meet the challenges of the 21st century. "That is a commitment to discuss in Halifax what we want the world to look like 20 years from now," President Clinton said.

The review will encompass those institutions which were set up to foster co-operation in the post-war world, such as the International Monetary Fund and the World Bank, which are celebrating their 50th

anniversary this year, and Nato. It will see how these fit in with newer initiatives such as the European Union, the World Trade Organisation, and the Partnership for Peace.

Inevitably, the nature and role of the G7 will be discussed. Although conventionally described as the group of the world's "leading industrial nations" it imperfectly reflects the global economy. It is heavily Eurocentric, excludes the Hispanic nations (even though Spain can claim to have a bigger economy than Canada) and barely represents Asia.

The Group's attempts, in recent years, to co-ordinate economic policy closely have as often ended in failure as success. This was the case when attempts to hold exchange rates steady after the Louvre Accord in 1987 proved detrimental to the overall goal of steady, non-inflationary growth.

On the other hand, the G7 heads of gov-

ernment clearly gain some benefit from the meetings. President François Mitterrand of France, who at times in the past has been scathing of G7 summitry, said they got through a "wealth of work in extremely fruitful discussions" at the weekend.

The G7 enhances the networking capacity of its members in other groupings. The US, France and Britain are members of the UN Security Council. All except Japan are in Nato. It contains four European Union members; two signatories of the North American Free Trade Agreement (Nafta) and, with Japan, is represented by three countries in the Asia Pacific Economic Co-operation forum. The G7 is especially valued by Japan, which is not represented in Nato, Nafta, the EU or the UN Security Council.

The leaders were enthusiastic about the greater informality of the weekend summit and plan an even less scripted approach next year. Mr Major spoke of a

"sea change" in the way the summits are conducted.

They also agreed to carry forward to Halifax this year's format of following the G7 economic gathering with a political G8 in which Russia is a full, equal ranking partner. According to Chancellor Helmut Kohl of Germany, this recognition of Russia's contribution to global politics was the most important aspect of this year's summit.

For President Boris Yeltsin, the highlight was recognition of Russia as a partner and democratic state. If the presence of Russia at yesterday's meeting is any guide, the G7 can claim to have exercised a positive influence in helping the former communist countries along the difficult road to market-based economies.

But two big doubts remain. The group is at its most effective when dealing with short-term crises. It is unclear how far seven such different states can reconcile

national interests and achieve Mr Clinton's goal of setting the agenda for 20 years hence.

Looking ahead to 2014, it is uncertain whether the present G7 membership can be justified. Although Russian President Boris Yeltsin yesterday made clear that Russia was not hurrying to join the economic G7, because of its current difficulties, Russia's long-term ambition is to join the group. Four EU nations in its ranks will look even more imbalanced then. There is also the question of Chinese participation if Beijing ever moves to pluralism and democracy.

Although Chancellor Kohl yesterday went out of his way to praise the "better climate of co-operation", such questions will be lurking in the background when the leaders meet in Halifax.

As the questions involve pecking order and prestige, they could make for much more veiling discussions than in Naples this year.

Clinton drops trade talks plan

By George Graham and Peter Norman in Naples

President Bill Clinton has been forced to abandon his plan to build a new round of multilateral trade talks on to the international policy agenda.

The US backed off, this weekend, from proposals for a new round of talks on removing trade barriers in areas such as financial services, telecommunications and investment rules, under pressure from other Group of Seven members. But Mr Clinton won a commitment from the Naples summit to "continue the momentum of trade liberalisation".

Mr Clinton floated his proposals in a letter to his colleagues just ten days ago, but ran into strong opposition from President François Mitterrand of France.

Mr Mitterrand warned the prospect of a new round of trade negotiations could jeopardise the chances of persuading the French parliament to ratify the free trade measures just concluded in the Uruguay Round of the General Agreement on Tariffs and Trade.

Mr Jacques Delors, the European Commission president,

said the initiative could also raise problems for other European countries, as well as for developing nations such as India and Morocco.

But the G7 leaders said the drive for free trade could not stop with ratification of the Uruguay Round agreement. They agreed the trade issues left unresolved by the Uruguay Round should be taken up at a meeting this autumn of the "Quad" trade ministers - a grouping of the US, Japan, Canada and the EU which overlaps with the G7 - and reviewed at next year's summit in Halifax, Nova Scotia.

In fact, the country where ratification appears most in danger is the US, and Mr Clinton's initiative, dubbed "Open Markets 2000", appears designed to win over some wavering centrist members of Congress who worry the Uruguay Round agreements do not go far enough to liberalise trade in crucial areas such as telecommunications.

Canadian and German officials indicated that the problem with Mr Clinton's initiative was not so much its substance, which all countries approved, as its last minute presentation.

Dollar statement fails to convince

By George Graham in Naples

Finance ministers of the Group of Seven leading industrial nations repeated their belief in the need for a stronger dollar, but failed to dispel concern that they still disagree on what to do about the weakness of the US currency.

The finance ministers, using words negotiated in advance, said they "agreed that the underlying fundamentals are sound, and that the conditions for an enduring recovery with low inflation are now in place in each of our countries".

They expressed concern, nevertheless, over foreign exchange volatility, and "agreed recent movements in exchange rates are not in line with the basic conditions prevailing in our economies".

The US resisted efforts by some G7 states to incorporate the statement in the formal communiqué issued by heads of government. US officials said they wanted to keep the communiqué for longer term issues, and appeared determined to treat the dollar's weakness as a short-term manifestation of foreign exchange markets' irrationality.

"I've quit trying to anticipate what's going to happen insofar as the currency markets are concerned," Mr Lloyd Bentsen, US Treasury secretary, said yesterday. The currency markets, however, have not quit trying to anticipate what is going to happen when Mr Bentsen and President Bill Clinton talk about the dollar.

For weeks, the US administration has tried to enforce a strict blackout on exchange rate comments by anyone but the laconic Mr Bentsen. In the days before the G7 meeting that blackout broke down.

The biggest breach came at the summit itself, when Mr Clinton in effect ruled out either intervention or changes in macroeconomic policy to combat the dollar's weakness.

"If we continue to pursue growth without inflation and to work on generating new jobs out of that growth, then eventually the macroeconomic realities will assert themselves and the currencies will be righted," Mr Clinton said.

US officials assured reporters there had been no intention of presenting a different policy on the dollar. Mr Bentsen, apparently anxious to counter the impression the US had abandoned thought of intervention, hastened to reopen the possibility.



Boris Yeltsin (right) and Bill Clinton come to an understanding with the help of their hands and two interpreters

Pressure stepped up over Bosnia

By Kevin Brown and Bruce Clark in Naples

The foreign ministers of Britain and France will lead to former Yugoslavia tomorrow with a mission to put "massive pressure" on the warring parties in Bosnia to accept the current peace proposals or face dire consequences.

Mr Douglas Hurd, the UK foreign secretary, and his French counterpart, Mr Alain Juppé, will be carrying a message from the Naples summit while their adversaries in the Muslim-Croat coalition have sent more positive signals.

Western diplomats said the need to put pressure on the Serbs was implicitly acknowledged by President Boris Yel-

scale. Mr Silvio Berlusconi, the Italian prime minister and summit host, said yesterday on behalf of the eight world leaders who gathered in Naples.

Mr John Major, UK prime minister, warned: "The consequences of not reaching a settlement will be very serious."

There was general agreement at the summit that particularly strong pressure must be put on the Bosnian Serbs, who have kept an open position on the peace proposals while their adversaries in the Muslim-Croat coalition have sent more positive signals.

British officials said there was a danger that the Serbs would formally agree to the plan while failing to comply in practice. They would be told that only full compliance would earn them relief from economic sanctions.

Mr Hurd and Mr Juppé, travelling with the blessing of the leaders who met in Naples but not as their formal emissaries, will have a blunt message for the Serbs: fail to adhere to the plan there will be no chance of stopping the US and perhaps others from ending the arms embargo against the Bosnian government.

In the meantime that could ensue, the UN peacekeeping force, in which Britain and France play a leading role, would have to be withdrawn. "Things are not too bad now, but the present situation is unstable and it will start to slide back downhill quite fast if the plan fails," a British official said.

elling with the blessing of the leaders who met in Naples but not as their formal emissaries, will have a blunt message for the Serbs: fail to adhere to the plan there will be no chance of stopping the US and perhaps others from ending the arms embargo against the Bosnian government.

In the meantime that could ensue, the UN peacekeeping force, in which Britain and France play a leading role, would have to be withdrawn. "Things are not too bad now, but the present situation is unstable and it will start to slide back downhill quite fast if the plan fails," a British official said.

British officials said there was a danger that the Serbs would formally agree to the plan while failing to comply in practice. They would be told that only full compliance would earn them relief from economic sanctions.

Mr Hurd and Mr Juppé, travelling with the blessing of the leaders who met in Naples but not as their formal emissaries, will have a blunt message for the Serbs: fail to adhere to the plan there will be no chance of stopping the US and perhaps others from ending the arms embargo against the Bosnian government.

In the meantime that could ensue, the UN peacekeeping force, in which Britain and France play a leading role, would have to be withdrawn. "Things are not too bad now, but the present situation is unstable and it will start to slide back downhill quite fast if the plan fails," a British official said.

Yeltsin to discuss Estonia pullout

By George Graham, Bruce Clark and Dmitry Volkov in Naples

President Boris Yeltsin of Russia yesterday agreed to meet President Leinart Meri of Estonia in an effort to solve their dispute over the withdrawal of Russian troops from Estonian soil.

But Mr Yeltsin said flatly, after talks with US President Bill Clinton following his meeting with the Group of Seven leaders in Naples, that Russian troops would not be out of Estonia by the deadline of August 31 that Russia itself had set.

This rebut drew a grimace from Mr Clinton but was only one of a series of spirited but cordial disagreements between the two presidents at a joint press conference after their meeting.

The presence of Russian troops in the Baltic republics nearly three years after they broke free of the Soviet Union is one of the most contentious issues between the US and Russia and is seen in the Baltics as a critical signal of whether Russia has turned its back on its Soviet imperial past.

Mr Clinton, who met Mr Meri last week, said he believed agreement on a withdrawal by August 31 could be reached.

Mr Yeltsin criticised the Estonian government for very crude violations of human rights toward the Russian population, and especially military pensioners.

Mr Yeltsin, relishing his new status as a full participant in the political discussions of the Group, also attacked the US for discriminating against Russian exports and urged it to follow the example of the European Union, which has agreed to lift its trade barriers.

Mr Yeltsin and Mr Clinton set a goal of agreeing on a successor organisation to Cocom, the organisation that used to regulate militarily sensitive exports to the Soviet bloc, by the time they meet in their next summit in Washington on September 27-28.

US officials welcomed Mr Yeltsin's promise to try to limit Russian exports to terrorist countries, which has been one of the issues blocking agreement on the Cocom successor.

The US has offered \$2m to help clean up a nuclear facility in Estonia, and will also provide vouchers worth \$25,000 apiece to help Russian officers find housing.

Mr Yeltsin said the growing pace of economic recovery and the G7 leaders' commitment to consider further trade liberalisation measures next year would help to raise growth rates and create more jobs.

The exceptional heatwave took its toll on many of the delegates in the form of dehydration, and the 2,700 journalists were for once at the trough only for water and soft drinks.

By the end of the summit, the girls distributing free Coca Cola had bandages on their fingers, raw from opening so many cans.

Robert Graham

Plan to create more jobs endorsed

By Kevin Brown in Naples

The Naples summit endorsed a seven-point plan to deal with the "unacceptable waste" of unemployment, which stands at 24m in the G7 countries and 35m throughout nations of the Organisation for Economic Co-operation and Development.

Mr Silvio Berlusconi, Italian prime minister and summit chairman, said economic recovery was already creating jobs and putting the unemployed back to work in "more and more" of the G7 countries.

Mr Berlusconi said the jobs plan would build on the conclusions of the OECD Jobs Study published last month, which recommended a broadly deregulatory path to accelerate employment creation.

The seven-point plan drawn up by the leaders calls for:

- Improved skills through better education and training;
- Reduced labour rigidities through lower indirect employment costs and fewer regulations;
- Active labour market policies to enhance incentives for the unemployed to seek work;
- Assistance to promote innovation and the spread of new technology, including an integrated infrastructure for global communications;
- Job creation in the leisure and environmental protection industries, which are regarded as potential high-growth areas;
- Increased competition through elimination of unnecessary regulations;
- Programmes to enrol employers and trade unions in the search for new jobs.

Officials conceded that the programme adds little to the conclusions of the OECD report and the Detroit summit on jobs, called by President Clinton, which preceded it.

There was no binding agreement on how to implement the plan, leaving G7 countries free to decide how to apply it to such contentious issues as minimum wage legislation and social security programmes.

However, the agreement was hailed as a breakthrough by Mr John Major, the British prime minister, who set out to make job creation one of the main themes of the summit.

Mr Major said the impact of the plan would be to commit the G7 governments to the principles of deregulation and labour market reforms to create lasting jobs. "That was a very novel idea two years ago when it was produced primarily, though not exclusively, by the British," he said.

Mr Major said the growing pace of economic recovery and the G7 leaders' commitment to consider further trade liberalisation measures next year would help to raise growth rates and create more jobs.

The exceptional heatwave took its toll on many of the delegates in the form of dehydration, and the 2,700 journalists were for once at the trough only for water and soft drinks.

By the end of the summit, the girls distributing free Coca Cola had bandages on their fingers, raw from opening so many cans.

Robert Graham

By the end of the summit, the girls distributing free Coca Cola had bandages on their fingers, raw from opening so many cans.

The exceptional heatwave took its toll on many of the delegates in the form of dehydration, and the 2,700 journalists were for once at the trough only for water and soft drinks.

By the end of the summit, the girls distributing free Coca Cola had bandages on their fingers, raw from opening so many cans.

Robert Graham

Major achieves most objectives

By Kevin Brown, Political Correspondent, in Naples

Mr John Major, the British prime minister, left Naples yesterday buoyed by summit successes on jobs, institutional reform and debt restructuring but regretting the G7 leaders' timidity on trade liberalisation.

No one in the British camp was describing Mr Major's performance as a triumph. But officials said he had achieved most of his summit objectives.

Mr Major will tell MPs today the summit raised to accept the US agenda for broad trade liberalisation in spite of strong British support for "further and faster" progress towards free trade in areas such as services.

But he will also have several successes to report:

- The summit agreed to British proposals for a reduction in the stock of debt owed by developing countries to the Paris Club of creditor nations. The agreement provides for debt write-offs of 66 per cent for most debtor countries

and up to 80 for the worst hit.

● The leaders adopted a broadly deregulatory plan for job creation which reflects many of the British government's concerns about over-regulation and inflexible labour markets.

● President Yeltsin's presence at the political session yesterday followed strong British pressure for greater Russian participation in the summit.

Mr Major said he raised the issue at last year's G7 summit in Tokyo and discussed it with President Yeltsin during his February visit to Moscow.

● The summit called on Iran to stop supporting terrorist movements after British appeals for action to stop the flow of funds from Tehran to the Provisional IRA.

● Talks in the margins of the conference made progress towards identifying an acceptable candidate for successor to Mr Jacques Delors as European Commission president.

Mr Major discussed the issue with Chancellor Helmut Kohl, current EU Council president.

Ukraine offered funds to close Chernobyl nuclear plant

By Peter Norman and George Graham in Naples

Eight years after the nuclear power plant explosion in Chernobyl disrupted a G7 summit in Tokyo, the world's leading industrial nations agreed to offer Ukraine an action plan that would close the plant.

The G7 leaders from the US, Japan, Germany, France, Britain, Italy and Canada,

together with the president of the European Commission, agreed to provide up to \$200m (£129m) in grants as an initial payment to shut down Chernobyl. The funding would be additional to the \$500m (£320m) in grants and loans offered by the European Union after its summit in Corfu last month to help close dangerous plants and complete replacement capacity.

Provision of the funds will be conditional on action by Ukraine. The country, which yesterday held a second-round run-off poll in a presidential election, would be expected to shut Chernobyl as "an urgent priority".

Ukraine would also have to agree to early completion of three new reactors with adequate safety standards, comprehensive energy reforms

including higher prices, increased energy conservation and use of other energy sources. It is expected that talks between G7 representatives and Ukraine will begin soon after the Ukraine election results are clear.

The G7 meeting was notable for the concern expressed about the Ukraine economy. The leaders urged Ukraine to embark on genuine economic

reforms, promising up to \$4bn in finance from the International Monetary Fund and other institutions over two years in return.

The weekend nuclear safety offer was a hard-won victory for Mr Helmut Kohl, the German chancellor. Together with Mr François Mitterrand, the French president, he urged other G7 members to act and solve the problem of Ukraine's

dangerous Soviet-designed nuclear power plants.

Some G7 nations, such as Japan and Britain, were reluctant to provide large-scale funding. After an all-night working session that began on Friday, the sherpas, senior officials who prepare the summit, agreed on a sum of only \$100m. This was raised to "up to \$200m" when the leaders discussed the matter on Saturday,

with Germany promising to provide DM50m, or about 17 per cent of the total.

The G7 pledges, together with \$115m in grants promised by the EU in Corfu, should provide about \$300m to close down Chernobyl - the amount experts say is necessary for the first stage of the operation. It is estimated Ukraine needs \$1.5bn to deal with its nuclear safety problem entirely.

Delegates presented with a feast of puns and pasta

If the summit was all about increasing personal ties, Silvio Berlusconi chose to pun himself into history by presenting each of his male guests with a special G7 tie.

Naples has several famous hand-crafted tie-makers and Mr Berlusconi with attention to detail as host reportedly chose the design. Each one was made to measure. To ensure a tie suited Helmut Kohl, the bulky West German Chancellor, Mr Berlusconi decided on an extra 30cm of material.

The wives meanwhile were showered by local craftsmen with every gift imaginable. The hangers-on were not forgotten either, with a special packet of G7 pasta from a local company whose courtesy card boasted of its "quality assurance and gut standing [sic] characteristics".

□ The prize for the best intentioned pun must go to Antonio Bassolino, left wing mayor of Naples who with justifiable pride has been showing off the marvels of his city to the summit leaders and their wives.

After meeting Britain's John Major, he remarked they had something in common: A Neapolitan pronunciation of the premier's surname came up with a sound like "Mayor".

□ The proprietor of the Di Matteo pizzeria who managed to interest Bill Clinton in a pizza on the US president's walkabout in the historic centre, confessed yesterday to a certain puzzlement about Mr Clinton's gourmandise. "He wanted a pizza Margherita topped with onions, salami and fried potatoes... a little

strange." This concoction didn't seem to prevent Mr Clinton from his habitual early morning jogging, a rite performed along the Naples sea-front.

□ This has been the summit where the wives have gone their own way. Hillary Rodham Clinton passed over "Sven Lake" at the San Carlo opera house in the company of Veronica Lario, Mr Berlusconi's wife. She chose instead to visit Ravello and its most illustrious resident Gore Vidal, the American writer who has a villa

there with spectacular views over the Amalfi coast. Like Jacqueline Kennedy before her, who also visited Vidal there, she was made an honorary citizen of Ravello.

□ Health has been on the minds of everyone after the gastric complaint that felled Japanese premier Tomichi Murayama. French president François Mitterrand looked clearly wan from the suffocating heat; and on Saturday evening after he had braved the 116 steps of the ceremonial staircase at the Caserta Palace

for a gala dinner he looked extremely frail.

The exceptional heatwave took its toll on many of the delegates in the form of dehydration, and the 2,700 journalists were for once at the trough only for water and soft drinks.

By the end of the summit, the girls distributing free Coca Cola had bandages on their fingers, raw from opening so many cans.

Robert Graham

THE FINANCIAL TIMES
Published by The Financial Times (Europe) Limited, 1, Broad Street, London W1A 3DF.
Registered in England. No. 1011294. Telephone: 020 7556 5000. Fax: 020 7556 5001. Telex: 41400.
Represented in France by J. Weber, 10, rue de Valenciennes, 75011 Paris. Telephone: 01 47 33 11 11. Fax: 01 47 33 11 12.
Represented in Germany by Dr. C. M. Bell and Dr. A. M. Müller, Postfach 10 15 50, D-5000 Köln 15. Telephone: 0221 483-1. Fax: 0221 483-210.
Represented in Italy by Dr. C. M. Bell and Dr. A. M. Müller, Via del Corso 15, 00187 Roma. Telephone: 06 4781 1111. Fax: 06 4781 1112.
Represented in Japan by Dr. C. M. Bell and Dr. A. M. Müller, 1-1-1, Marunouchi, Chiyoda-ku, Tokyo 100. Telephone: 03 5561 1111. Fax: 03 5561 1112.
Represented in the USA by Dr. C. M. Bell and Dr. A. M. Müller, 1111 Avenue of the Americas, New York, NY 10020. Telephone: 212 512 2000. Fax: 212 512 2001.
Represented in the rest of the world by Dr. C. M. Bell and Dr. A. M. Müller, 1111 Avenue of the Americas, New York, NY 10020. Telephone: 212 512 2000. Fax: 212 512 2001.

FRANCE
Publishing Director: D. Good, 10, rue de Valenciennes, 75011 Paris. Telephone: 01 47 33 11 11. Fax: 01 47 33 11 12.
Represented in France by J. Weber, 10, rue de Valenciennes, 75011 Paris. Telephone: 01 47 33 11 11. Fax: 01 47 33 11 12.
Represented in Germany by Dr. C. M. Bell and Dr. A. M. Müller, Postfach 10 15 50, D-5000 Köln 15. Telephone: 0221 483-1. Fax: 0221 483-210.
Represented in Italy by Dr. C. M. Bell and Dr. A. M. Müller, Via del Corso 15, 00187 Roma. Telephone: 06 4781 1111. Fax: 06 4781 1112.
Represented in Japan by Dr. C. M. Bell and Dr. A. M. Müller, 1-1-1, Marunouchi, Chiyoda-ku, Tokyo 100. Telephone: 03 5561 1111. Fax: 03 5561 1112.
Represented in the USA by Dr. C. M. Bell and Dr. A. M. Müller, 1111 Avenue of the Americas, New York, NY 10020. Telephone: 212 512 2000. Fax: 212 512 2001.
Represented in the rest of the world by Dr. C. M. Bell and Dr. A. M. Müller, 1111 Avenue of the Americas, New York, NY 10020. Telephone: 212 512 2000. Fax: 212 512 2001.

FRANCE

Kravchuk tries to show Kuchma as Moscow's man

Heavy nationalist vote favours Ukraine president

By Chrystia Freeland and Jill Barsby in Kiev

Ukrainians trudged to the polls amid heavy fog and rain yesterday in large enough numbers to elect a new president. A close race is predicted between the two candidates in the run-off for the presidency.



Kravchuk: disastrous record

the incumbent, President Leonid Kravchuk, and a former prime minister, Mr Leonid Kuchma. Results are not expected to be known until late today.

Preliminary returns showed that voting was particularly heavy in fiercely nationalist western Ukraine, but turnout



Kuchma: pro-Russian agenda

was lower in the Russian-leaning eastern regions. This trend could give an edge to Mr Kravchuk, who won clear backing from nationalist constituencies throughout the country in the first round of voting last month.

As in neighbouring Belarus, where presidential run-offs were also held yesterday, Ukraine's presidential debate centred on national independence and links with Russia, which still exerts a powerful influence over all the former Soviet republics.

Mr Kravchuk has sought to shift the campaign away from his disastrous economic record and positioned himself as the sole guarantor of independence, while portraying his opponent, Mr Kuchma, as Russia's henchman because of his wish for closer ties with Moscow.

Fighting for his seat on national issues could win Mr Kravchuk a second mandate, a remarkable achievement for a leader whose reign has been marked by deep industrial decline and hyperinflation.

However, Mr Kravchuk's strategy has opened a Pandora's

box of potential national discord between western and central Ukraine, which are backing the president, and Russian-speaking eastern Ukraine, where Mr Kuchma's pro-Russian agenda is highly popular.

Mr Kuchma's team and Ukrainian insiders claim that Mr Kravchuk could benefit from vote-rigging by local bureaucrats, who remain beholden to the president. Western officials admit that there have been minor procedural violations and that Mr Kravchuk has enjoyed the advantages of incumbency, but they are generally convinced the elections have been free and fair.

In contrast with the presidential race, which has offered Ukrainians an often agonising choice "between two evils", many of the mayoral and gubernatorial elections also held yesterday throughout the country are promising real change.

For example, Kiev's mayoral contest is pitting a democratic market reformer against a presidential appointee, albeit a progressive one.



Father of the Russian Motor Industry: A Zil outside 10 Downing Street in London

Zil drives back from brink

State and free market come to carmaker's aid, reports John Lloyd

Zil, Russia's best known and most prestigious car-maker, is being saved from bankruptcy by a unique mixture of state support and free market principles. The restructuring envisaged is cost-cutting, diversification and international co-operation.

The saving of the company, the "father of the Russian motor industry", is akin to the government bail-out of Chrysler in the US in the 1980s or the nationalisation of Rolls Royce in Britain in the 1960s. It shows a government determined to preserve its engineering heartlands - at heavy cost to the budget and even to the extent of changing policy by raising tariffs on foreign imports to protect its market.

However, it also shows that the company has entered into agreements with foreign partners and is cutting the workforce, particularly among administrators. It has shed a conservative top management

and is trying to create a new, young management team. It is even trying to attract Mr Lee Iacocca, former head of Chrysler, or another senior retired car executive, to come to Russia to advise the new management on how to rescue a sinking company - as Mr Iacocca did with Chrysler.

Zil, which makes trucks and buses, limousines, refrigerators and other white goods and engineering products, had virtually collapsed earlier this year under a massive load of debts, as its state orders for its vehicles fell to a fraction of their former volume. It currently produces 15 to 20 limousines a year and under 100,000 lorries, from 300,000 at full capacity. Its 120,000 workforce began to desert as pay fell or was not delivered. Management efforts to pressure the government with demonstrations produced no response.

In May, the shareholders - among which the most powerful are Moscow City Council

and two big financial groups - elected a new president of the board in Mr Alexander Vladislaviev, deputy head of the Russian Industrialists Union and a prominent centrist political figure. The board last month appointed a new chief director, Mr Valery Saikin, who replaced Mr Yevgeny Brakov, demoted to vice president in charge of forming a new finance group. Mr Brakov had been best known for running as the official Communist party candidate against Mr Boris Yeltsin for a seat in the old Supreme Soviet in 1990.

In an interview with the Financial Times, Mr Vladislaviev said Zil was seeking, or had reached, joint venture agreements with the US companies Caterpillar, Pacar, General Motors and the French group Renault for the production of trucks, buses and engines.

The government had placed orders for 24 new Zil limousines a year from now on and promised Ruscija and \$35m for research and development of the upgraded model.

The company is pressing the government to erect high tariff walls to protect its products - and with them, other products of the Russian automotive industry.

Mr Vladislaviev, who said he was confident that the government would agree, said: "We must close the market to protect its development - but within that market, we want foreign companies to operate and to sell the products they make with us."

The company overall is being radically restructured into a holding company with separate product groups, in some of which the holding company may have only a minority share.

In the longer term, Mr Vladislaviev says it will offer some 10 per cent of its shares to foreign investors, at a price set at \$60m.

Reformer hopeful in Belarus poll

Self-styled corruption buster Alexander Lukashenko seemed headed for victory yesterday in his drive to become the first president of the former Soviet republic of Belarus, Reuter reports from Minsk.

The central election commission said that by 3pm local time 83 per cent of more than 7m voters in the conservative republic had cast their ballots, clearing the required 50 per cent barrier. Polling was to end at 10pm.

Mr Lukashenko, favourite

after the first round, had won popularity with promises to halt inflation and clean up the state apparatus, which he says is corrupt from top to bottom.

"My first move will be to fight corruption, first of all at the top. My list of corrupt government officials is growing and only two members of the government leadership will be able to stay in their posts," he said after casting his vote in Shklov, 300km north-east of the capital, Minsk.

"I am voting for myself. For

the first time a simple man has a chance to vote freely for a man just like himself," he said.

Mr Lukashenko, 39, a populist with no experience of state administration, got a surprising 45 per cent of the vote in the first round of voting in June against 17 per cent for Mr Vyacheslav Kebich, prime minister. In yesterday's run-off round, the winner had to get 50 per cent plus one vote.

Mr Lukashenko has yet to announce a coherent economic programme or to name his candi-

date for prime minister.

"It's no problem to find a prime minister, it's easier than finding a milkman," he told reporters.

Until now, the nominal head of state has been the chairman of parliament.

Alitalia strike for today

Mr Publio Fiori, Italy's transport minister, failed yesterday in an attempt to avert an airline workers' strike that threatened to ground most Alitalia flights and cause delays at some airports, AP reports from Rome.

The 24-hour strike scheduled for today affects all international and domestic flights from Rome and Naples, where the Group of Seven summit finished yesterday. It could hamper the departure of some delegations and journalists.

But state-run Alitalia said it would guarantee a minimum number of flights, including important routes to New York, Bangkok and most European cities.

Mr Fiori also requested that Alitalia improve basic passenger services, such as flight information and medical care for travellers, to help ease the inconveniences caused by the strikes.

In a meeting called by Mr Fiori yesterday, union officials representing flight personnel

and ground crews failed to come to terms with Italy's national carrier on job cuts.

Unions are protesting at Alitalia's cost-saving plan to shed 4,000 jobs and rewrite work contracts.

Last week, a two-day strike by flight crews forced Alitalia to cancel half its flights. A planned walkout by air traffic controllers was delayed until later this month.

Alitalia, which employs 21,000 people, reported losses of L343bn (£140m) last year.

Li toasts long-lasting love in Romanian vineyard

China's hardline Premier Li Peng celebrated his 36th wedding anniversary in a Romanian vineyard yesterday and let slip rare remarks on his personal life as he tasted wines with his wife. Reuter reports from Murfatlar, Romania.

"My wife and I are very happy, just like the day we married 36 years ago, maybe happier," Mr Li said.

"A family is happy when both husband and wife help each other. But a husband especially must obey his wife's orders."

Mr Li made the remarks as he sampled wine at the renowned Murfatlar vine-

yards, where he dropped in for a tasting session during a weekend rest on Romania's Black Sea coast.

He arrived on Saturday for a four-day trip, the highest-level visit to Romania by a Chinese leader in 10 years.

Mr Li and his wife Zhu Lin took their hosts in Murfatlar by surprise when they said Sunday was their anniversary.

"My wife agrees we are a happy family," Li said, gently pressing his hand on Zhu's arm as she sat next to him at a long wooden tasting table in the Murfatlar cellars.

To mark the anniversary, the two sipped wine from each other's glass, to the applause

of 100 accompanying Chinese and Romanian officials and businessmen.

Mr Li's affable banter contrasted with the image he earned over the bloody crushing of demonstrations in Beijing in 1989, for which he is widely blamed. Earlier legs of his European tour, in Austria and Germany, were dogged by human rights protests.

Today, Mr Li flies to the capital Bucharest to meet President Ion Iliescu, once his classmate at a communist cadre school in Moscow. The two leaders are to sign a joint political declaration and a set of economic and cultural agreements.

Brussels set to encourage mobile telecoms networks

By Emma Tucker in Brussels

The European Commission is expected to show its determination to speed up the liberalisation of Europe's telecommunications industry by forcing through legislation that will let mobile telecoms operators build their own networks.

Buoyed by the support for plans for deregulating Europe's telecommunications networks at the Corfu summit last month, the commission intends to use special powers to ensure that the liberalising of mobile telecoms infrastructures is not delayed. The move is bound to upset some of Europe's most entrenched telephone monopolies.

Article 90 of the Treaty of Rome allows the commission to impose liberalisation on intransigent member states without a vote at the Council of Ministers. It is rarely used as it is criticised for being

undemocratic, but has been used relatively frequently in telecommunications.

Few are surprised at the commission's intention to adopt article 90 to impose the mobile telecoms green paper. Momentum for liberalisation has been gathering pace not just in Brussels but among the member states too, who recognise that a competitive network is crucial for European competitiveness.

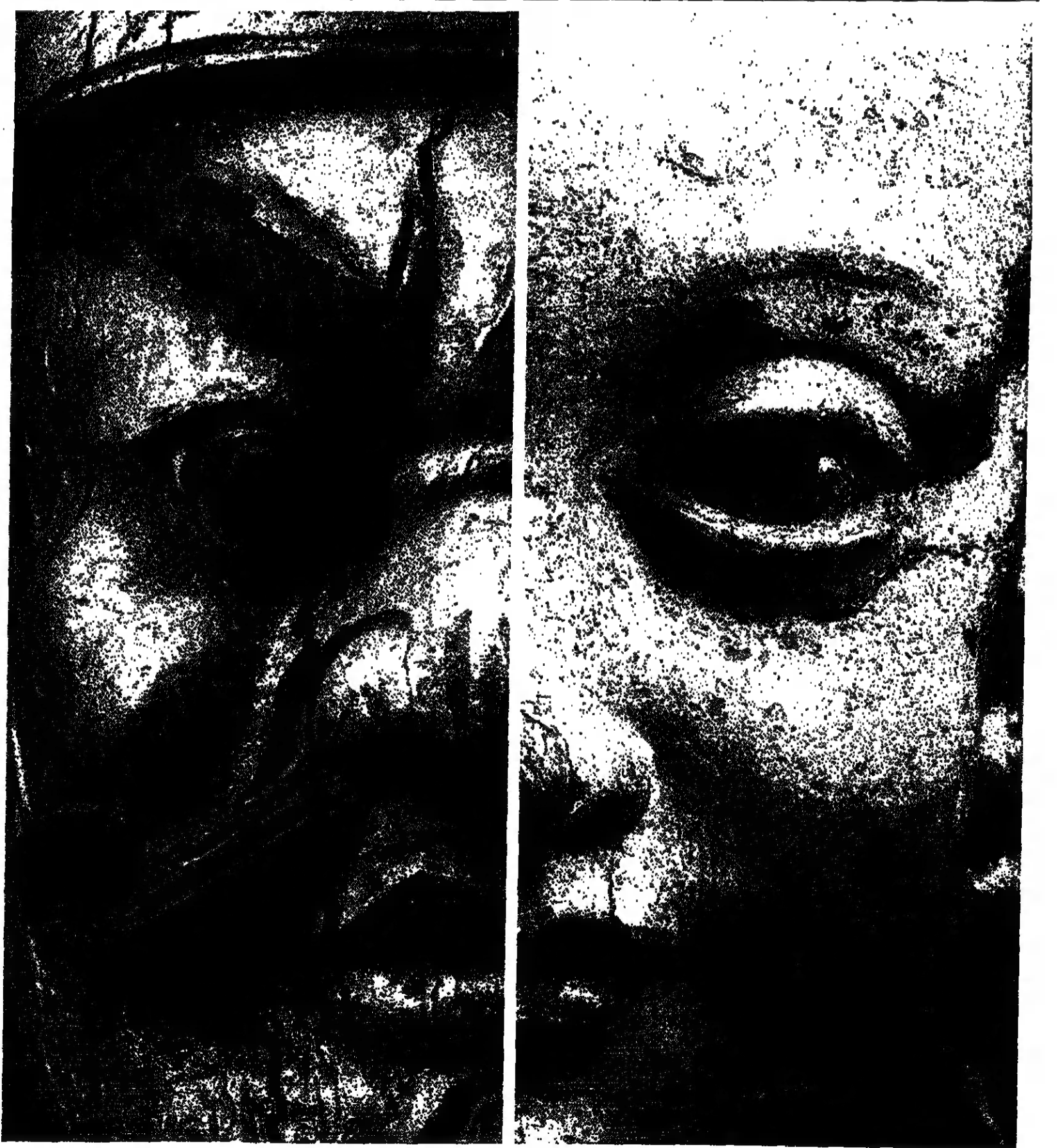
Liberalisation of mobile infrastructures would give mobile operators greater flexibility and enable them to avoid interconnection payments to Europe's fixed network operators. Experts at the commission believe this could cut the cost of long distance mobile calls by as much as 50 per cent.

But many of the big public telephone companies in countries such as Portugal, Germany, and Spain fear a loss of

revenue, and are pressing for delays in infrastructure liberalisation in this sector until the commission introduces plans for the deregulation of all infrastructures later this year. They argue that they need the revenue from mobile interconnection fees to keep up their commitment to a universal telephone service.

Recent consultations in Brussels on the mobile telecommunications green paper attracted opposition from the public operators in Italy, Spain, Portugal, Greece and Belgium over the pace of liberalisation.

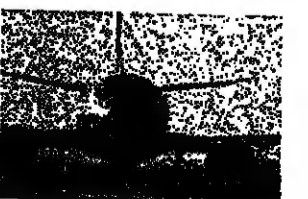
But the commission believes it is now in a strong position to push ahead, backed by the welcome given by member states to the recommendations of the Bangemann group of industry leaders, which called for speedy liberalisation of EU telecoms infrastructures and services.



Beijing is a proud member of the World Travel & Tourism Council.

TRAVEL. MEET YOUR NEIGHBOURS.

Reading about a culture is preparation for a trip. Not a substitute. Try to understand curry without tasting it. Chinese opera without seeing it. An evening breeze in Lamu without feeling it. The world is filled with wonderful places to see, interesting people to meet, rich opportunities to pursue. Go.



BOEING

NEWS: INTERNATIONAL

US takes tough line on Haiti

By Nancy Durne
in Washington

Mr William Gray, President Bill Clinton's adviser on Haiti, yesterday said resolution of the republic's crisis had now become "a vital interest" to the peace and stability of the western hemisphere.

In an interview on ABC, Mr Gray gave a firm warning that the military dictatorship - from which 10,000 Haitians fled last week - would not be allowed to remain in power.

To allow the return of a dictatorship in the 1990s "sends the kind of signal to potential dictators in our hemisphere that cannot be tolerated because of the instability that it would cause," he said.

Administration officials interviewed yesterday had much the same message to deliver. Mr Gray, Mr Warren Christopher, the secretary of state, and Mr Leon Panetta, the newly appointed White House chief of staff, stressed the endorsement of US policy towards Haiti by the industrialised countries at the G7 summit, and US efforts to work with the United Nations.

Criticism of the policy's many incarnations, and the impact of sanctions on the poor, was met with scathing indictments of the "illegal" regime in Haiti.

Mr Gray's line was the toughest. He seemed to warn the Haitian military that its future rested on removal of the current leaders.

"Whether or not there is going to be any military in Haiti will depend on the behaviour of the coup leaders: whether they step down or they push the international community to ultimate options," he said.

He bluntly spelt out the US "vital interest" in removing a regime committing human rights violations with "thousands being killed and raped".

Hutus struggle to forget the horrors

Few will admit to having witnessed the slaughter of 800,000 Tutsis in Rwanda, writes Leslie Crawford

"You understand there are certain things I cannot talk about." The priest is standing in the courtyard of a church which dominates the village of Shangi, in the hills of western Rwanda. A paramilitary policeman hovers in the background.

In front of him, children are filing obediently into a catechism class. He avoids the far end of the courtyard, marked by the indelible evidence of a horrendous crime. Room after room is splattered with blood, blackened by fire, or shattered by the blasts of hand grenades.

Father Aime Mategoko says he was not present when Hutu militias invaded his church in late April and hacked 4,000 Tutsis to death. "I was in another parish when the troubles began," he says. "I do not know who the attackers were, or how many people they killed."

He feels uncomfortable with the questions of prying foreigners, which force him to confront one of the worst crimes against humanity since the Nazi Holocaust. "What happened here happened throughout the country," he ventures. "Part of the population felt threatened by the other part and were forced to defend themselves."

Father Aime is not alone in offering such tortuous explanations, which obscure the responsibility of the killers as well as the identity of the victims.

He will not say where the dead are buried. "As priests," he claims, "we did everything possible to protect the people, but it was not enough."

This is a claim disputed by survivors of the Shangi massacre.

"It was only thanks to the intervention of Franciscan nuns that 420 of us survived," says an aging Tutsi who

escaped to a Red Cross refugee camp near Rwanda's border with Zaire.

Throughout the country, the Hutu community, the largest of Rwanda's two ethnic groups, is engaged in a process of collective amnesia.

Hutus cannot deny knowledge of what took place. Evidence of massacres can be found in almost every village. Yet few Hutus admit to having been present at the slaughter of 800,000 Tutsis that followed the assassination of President Juvénal Habyarimana on April 6.

Shame weighs so heavily that the word Tutsi, like the race of tall, proud pastoralists who once ruled over the Hutu majority, has been virtually erased from the Rwandan vocabulary. Others prefer to describe the massacres as a popular uprising against those who killed Rwanda's Hutu president.

Ever since Tutsi exiles launched a guerrilla war against the Habyarimana dictatorship in 1990, the Tutsi menace has been a cornerstone of government propaganda.

Despite the lack of evidence, Habyarimana's supporters did not hesitate to blame the rebel Rwandan Patriotic Front (RPF) for shooting down the president's aircraft. Over the government airwaves, Hutus were incited to take revenge.

The propaganda became more strident as the rebels gained military ground. Government radio broadcast reports of atrocities allegedly committed by the RPF were used to blur the distinction between Tutsi fighters and civilians and to justify their indiscriminate slaughter.

There is even evidence to suggest the genocide was planned. Tutsi survivors speak of government officials visiting



French soldiers on patrol in the south of the country yesterday give a reassuring wave to Hutus

churches and stadiums with lists of people to be executed. The first victims were educated or wealthy Tutsis and Hutu opponents of the Habyarimana regime.

"The extermination of Tutsis was so radical, so systematic, I have no doubt it was prepared by the Hutu extremists in the government and army," says a Tutsi priest whose life was spared. "Habyarimana's death was just a pretext to begin the massacres."

Among the Hutu militia, who call themselves Interahamwe ("those who attack together"), there are those who do not regret killing neighbours, friends and children. "You must understand that Paul Kagame (the RPF military commander) left Rwanda when

he was two-years-old," explains a young militia on the road to Shangi. "If we allowed Tutsi children to escape, they would return to attack us a few years from now."

Most Hutus blame the RPF for their own fate. If the RPF had not invaded Rwanda, they say, the killings would not have taken place. Hutus believe Tutsis have been guilty of massacres in rebel-held areas. They say Tutsis have hidden the corpses in pits 60 metres deep to conceal the evidence of their crimes. Such beliefs are essential in a society guilty of genocide, and few are able to distinguish the fact from the fiction.

In the Bisesero hills, overlooking Lake Kivu, Hutu villagers are terrified of the gun-

fire that echoes in the distance. They say Tutsi rebels have infiltrated this government-held zone and claim many Hutus have been killed.

Less than two miles away, small groups of emaciated and badly wounded Tutsis stumble on to the mountain road like an apparition from hell. For the past three months they have been hiding in the woods by day and scavenging for food at night as the army and militia hunted them down like animals. These were the shots the Hutu villagers heard. When French soldiers arrive to protect the Tutsi survivors, they train their guns on Hutu militias who can be seen on the next mountain ridge.

Soon, however, Hutus may also become victims of Rwan-

da's reign of terror. "When the war ends," says a university lecturer, "we fear that the Hutus who have killed will turn on those of us who have not killed because we know the truth of what happened."

Those who breach the conspiracy of silence receive death threats. Few believe those who instigated the genocide will be brought to trial. The few thousand Tutsis who survive in French-guarded refugee camps say they will only feel safe when they are granted asylum in another country. They cannot envisage the day when Hutu and Tutsi will live together again.

For the Tutsi rebels, currently poised to win the civil war, the victory looks set to be a hollow one.

France steps up plea for support

By David Buchan in Paris

France will today step up its quest for an honourable exit from Rwanda with an appeal by Prime Minister Edouard Balladur to the United Nations Security Council for other countries to replace French troops in the central African state by the end of this month.

The Security Council gave France the go-ahead on June 22 to send 2,500 troops to try to prevent further massacres of refugees caught up in the Rwandan civil war, before the arrival of the UN's planned "Minuar" peacekeeping force later this summer.

But Mr Balladur said from the outset that he wanted the stop-gap French force out of Rwanda by July 31. Despite the presence of some 500 French troops already in Rwanda and 500 Ghanaian soldiers due next week and of some Canadian and Australian troops, there is growing nervousness in France that the full Minuar force will not be ready in time for France to stick to its self-imposed deadline.

Mr Francois Léotard, the defence minister, warned the French Senate last week that at least some French troops would have to stay on into August.

Mr Alain Juppé, French foreign minister, said at the end of last week that he had been advised by UN headquarters that the new UN multinational peacekeeping force would be ready to relieve the French by early August.

Before flying to New York, Mr Balladur said over the weekend that he hoped to convince aid agencies to do more to help the 900,000 Rwandan refugees estimated to be in or near the security zone in the south-west of the country, and to persuade other countries to carry out their commitments to supply soldiers to the Minuar force.

Hussein to meet Rabin

By James Whittington
in Damascus

Jordan's King Hussein said over the weekend that he was ready to meet Israel's prime minister, Mr Yitzhak Rabin, for the first time in public, in return for US financial aid.

He said Washington had promised to waive about \$350m of debt owed by Jordan and help with the modernisation of the kingdom's armed forces if he met with the Israeli premier.

"If the meeting between me and the Israeli prime minister is a price to change the picture of this country, I will not hesitate at all and consider it a

service for my country," he told the parliament.

Israeli officials yesterday welcomed the king's statement, and suggested a summit could take place in mid-October in Cairo. Mr Yossi Beilin, Israel's deputy foreign minister, said King Hussein's decision was "courageous".

Last month, the king announced that Jordan would push ahead in its peace talks with Israel and could no longer wait for progress on the other tracks. Frustrated with the lack of co-ordination with the Palestinians and Syrians, he said that from now on Jordan would look after its own needs.

Next week Jordanian and Israeli negotiators are to meet in Jordan near the 1967 ceasefire line just north of Aqaba to discuss border demarcations. It will be the first time that Israeli officials publicly enter Jordanian territory.

Later Mr Shimon Peres, Israeli foreign minister, and Mr Warren Christopher, US secretary of state, are due to attend the opening session of another round of talks in the Jordan Valley on economic co-operation. Subjects to be covered include a \$30m canal project to join the Red Sea to the Dead Sea and joint development projects in the Jordan Valley.

Caracas reopens exchange

By Joseph Mann in Caracas

Limited foreign exchange transactions will recommence in Venezuela today after being suspended by government order for over two weeks.

President Rafael Caldera announced foreign exchange controls on June 27, but the government and the central bank were unable to agree on final details of a control scheme until Saturday.

Normal foreign exchange transactions at banks and exchange houses have not been carried out in Venezuela since June 22, causing problems for

importers, travellers and companies with external debt payments that have come due.

Officials stressed that under the new exchange control scheme, funds would be available for servicing public and private sector external debt, and for foreign companies repatriating profits and royalties.

The presidential decree that defines the terms for approving and disbursing foreign exchange states that private sector external debt will be covered by the programme. High priority will also be assigned to imports of raw materials for industry.

There were also press reports

that the government intended to fine any local news media that reported black market exchange rates, although it was unclear whether this measure would be implemented.

Venezuela's new foreign exchange scheme requires that foreign currency entering the country, with a few exceptions, should be sold to the central bank. Commercial banks will handle applications for foreign currency, and will provide funds to companies and the public.

The government will set a \$500 monthly limit for those who wish to travel overseas for pleasure, and a \$250 daily limit for business travel.

Peru sets out to woo investors in sell-off plan

The state is in a tight financial corner, writes Sally Bowen

Peru's privatisation commission, Copri, is to launch a scheme to attract at least 100,000 middle-income Peruvians as shareholders this year, and to cover the unpaid state pension funds due to workers who have converted to private pensions.

In a series of privatisations of "low-risk businesses", such as utility companies, Copri aims to transfer shares worth at least \$300m (£197m) to small investors, who will be able to buy shares in fixed instalments, virtually eliminating any financial risk. Investors will pay by instalments fixed on the day of sale, but if the quoted share price falls, the state "guarantees" to charge instalments at the lower price.

The "citizen participation" scheme also aims to get the state out of a tight financial cash down for their share package and the rest over three years at a fixed 1 per cent a month interest rate. Local banks will hold on to shares until full payment is made.

"We consider this [instalment-plan] mechanism extremely important both for the deepening of the process and to increase the direct identification of the population with privatisation," said Mr Montoya.

The programme will also help the Peruvian government with the embarrassing dilemma of how to spend its privatisation cash. Revenue from privatisations has already topped \$1.5bn this year. The bulk of that came from the sale of state-owned telecommunications companies, Entel and CPT.

Such sums cannot be injected into the small Peruvian economy without jeopardising newly won control of inflation. The \$1.3bn telecoms cash, therefore, has had to be placed on deposit with the central bank (swelling Peru's already substantial international reserves to an unprecedented \$4.7bn). Even stepped-up poverty alleviation programmes are unable to spend more than \$300m in a year.

The citizen participation scheme will not mop up all of the privatisation cash, but it will allow the state to reduce its internal debt, and it will boost Peru's capital markets growth," says Mr Montoya.



If the rainforests are being destroyed at the rate of thousands of acres a minute, how can planting just a handful of seedlings make a difference?

A WWF - World Wide Fund For Nature tree nursery addresses some of the problems facing people that can force them to chop down trees.

Where hunger or poverty is the underlying cause of deforestation, we can provide fruit trees. The villagers of Mungu, Zaire, for example, eat papaya and mangoes from WWF trees. And rather than having to sell timber to buy other food, they can now sell the surplus fruit their nursery produces.

Where trees are chopped down for firewood, WWF and the local people can protect them by planting fast-growing varieties to form a renewable fuel source.

This is particularly valuable in the Impenetrable Forest, Uganda, where indigenous hardwoods take two hundred years to mature. The *Mankani* lotus trees planted by WWF and local villagers can be harvested within five or six years of planting.

Where trees are chopped down to be used for construction, as in Panama and Pakistan, we supply other species that are fast-growing and easily replaced. These tree nurseries are just part of the work we do with the people of the tropical forests.

WWF sponsors students from developing countries on an agriculture course at UPAZ University in Costa Rica, where WWF provides technical advice on growing vegetable and grain crops.

International Secretariat, 1196 Gland, Switzerland.

FOR THE SAKE OF THE CHILDREN
WE GAVE THEM A NURSERY.

New tracks of tropical forest would then have to be cleared every two or three years.

This unnecessary destruction can be prevented by combining modern techniques with traditional practices so that the same plot of land can be used to produce crops over and over again.

In La Planada, Colombia, one experimental farm demonstrates how these techniques can be used to grow a family's food on a small four hectare plot. (Instead of clearing the usual ten hectares of forest.)

WWF fieldworkers are now involved in over 100 tropical forest projects in 45 countries around the world.

The idea behind all of this work is that the use of natural resources should be sustainable.

WWF is calling for the rate of deforestation in the tropics to be halved by 1995, and for there to be no net deforestation by the end of the century.

Write to the Membership Office at the address below to find out how you can help us ensure that this generation does not continue to steal nature's capital from the next. It could be with a donation, or, appropriately enough, a legacy.

WWF World Wide Fund For Nature
Internationally World Wide Fund

No fire behind smoke

SOUTH AFRICA

By Michael Holman

In a week in which the South African press was unable to discover just what were the "personal reasons" that lay behind finance minister Derek Keys' unexpected departure on Tuesday, there were several other fascinating but unanswered questions.

How would President Nelson Mandela placate Mrs Maritz de Klerk, the former president's wife, whose fury at being forced to move from Libere, the official presidential residence in Pretoria, was disclosed by the *Afrikaans* daily, *Beeld*?

Could Mr F W de Klerk's eviction have anything to do with the disappearance of Dinky, the family dog, whose plight was reported in the *Pretoria News*?

And could the Springboks rugby team recover from their defeat against the All Blacks? The *Sunday Tribune* asked.

However, for several days, a single question was uppermost for all papers: Why did Mr Keys resign?

After much speculation, South Africa's press shared the conclusion of the *Weekly Mail*, the independent paper, "Keys: no fire behind the smoke".

Shaun Johnson, deputy editor of *The Star*, the city's afternoon paper, put the best face on the affair: Keys "did the most difficult of things, quitting while he was right on top... the retrospective portrait will be one of unflamboyant glory," he wrote in his weekly column.

He would be known as the man who laid down a solid eco-



nomic foundation for a new government, "his reputation unscathed by the worst excesses of hygroscopic national party cabinets and untroubled by the inevitable fallings of the African National Congress controlled one".

Keys established a psychological precedent, wrote Johnson, setting to the middle classes "the concept of a tax surcharge" - a reference to the budget's 5 per cent levy on higher bracket tax payers.

No such generous treatment from *The Citizen*, whose editor Johnnie Johnstone has managed to pay generous tributes to President Mandela while maintaining a conservative stance.

Easily the best paper of record, with a large black readership attracted - according to conventional wisdom - by the paper's comprehensive racing coverage, the *Citizen's* mid-week editorial spared neither Keys nor government.

"It's not satisfactory, Mr Keys. You should have stayed on. But as you have resigned, you owe it to the country to say exactly why."

"As for the government, we think its handling of the matter putrid".

Johannesburg's *Business*

Day, which had added to the confusion by confidently reporting that Mr Chris Liebenberg, the successor to Mr Keys, "had already attended (cabinet) meetings as finance minister designate", expressed city sentiment.

The resignation "presents the government of national unity, still basking in the afterglow of its remarkable installation, with the most difficult test it has faced so far," said Wednesday's editorial.

By the end of the week, however, interest had focused on another question: Who benefited from insider trading in the hours before the Mr Keys' resignation became official? asked the *Sunday Times*.

And one question was never raised. Why did the powerful Congress of South African Trade Unions accuse Mr Keys of letting the side down and "betraying Mandela's trust" by leaving early, instead of saying good riddance to Mr Keys?

After all, he was the finance minister who advocated fiscal discipline, and refused to bend to union pleas to extend VAT zero rating to more foods.

Maybe in the answer to this question lay the secret of Mr Keys' success.

Nuclear talks upset by death

By John Burton in Seoul and Bruce Clark in Naples

The death of North Korean President Kim Il-sung has suddenly complicated efforts to resolve the dispute over international inspections of the North's nuclear facilities.

Mr Kim died just as the US began negotiations with North Korean officials on Friday in Geneva in what was regarded as a significant round of discussions to break the impasse. His death also came shortly before he was scheduled to meet South Korean President Kim Young-sam in an unprecedented summit on July 25 in Pyongyang to discuss the nuclear question.

Both the US-North Korean talks and the Korean summit have been indefinitely postponed.

Meanwhile, the Group of Seven and Russian leaders in Naples yesterday urged North Korea to ensure "total transparency" for its nuclear programme and also to go ahead with its proposed dialogue with South Korea and the US, despite the death of its leader.

The Naples summit communiqué told the authorities in Pyongyang to "remove, once and for all, the suspicions surrounding their nuclear activities" by complying with their international obligations.

North Korean officials had indicated stress related to tensions over the nuclear issue in recent weeks may have contributed to Mr Kim's heart failure.

South Korea said yesterday it has not yet heard from the North whether it wants to hold the summit, although US President Bill Clinton said in Naples that Pyongyang indicated to Washington that it plans to proceed with the meeting at a later date.

Officials in Seoul expressed optimism that North Korea might take advantage of Mr Kim's death to improve relations with the US rapidly in the hope that it will help stabilise the new Pyongyang government of Mr Kim Jong-il, the late president's son and designated successor. They added that a Korean summit is unlikely to occur until the transfer of power to Mr Kim has been completed.

The junior Mr Kim took public responsibility last year for threatening to withdraw North Korea from the nuclear non-proliferation treaty in a step that triggered the dispute.

Some South Korean officials believe, however, that Mr Kim and his father may have deliberately provoked the crisis as a ploy to force US to the negotiating table and offer diplomatic recognition to Pyongyang in exchange for full nuclear inspections.

Another hopeful sign is that North Korea is continuing to allow inspectors from the International Atomic Energy Agency to monitor nuclear activity at its Yongbyon facilities.

The late president recently agreed to suspend the North's nuclear operations in exchange for the new round of talks with the US on possible diplomatic recognition and economic aid from Washington. After the first session of US-North Korean talks on Friday, both sides described the discussions as "very useful and productive".

An adviser to President Boris Yeltsin said Russia's main concern was that there be no instability in North Korea. He welcomed reports that the situation there remained calm and noted the hope that the US-North Korean dialogue would be soon resumed.

Mr Warren Christopher, US Secretary of State, said if Pyongyang complied with international demands over its nuclear programme, the US would welcome a chance to meet the new North Korean leader. He said that Kim Jong-il is the likely successor, although nothing could be taken for granted.

Kim Il-sung: war hero, skilled politician and tyrant

John Burton looks at the career of the 'Great Leader' who exploited North Koreans' xenophobia

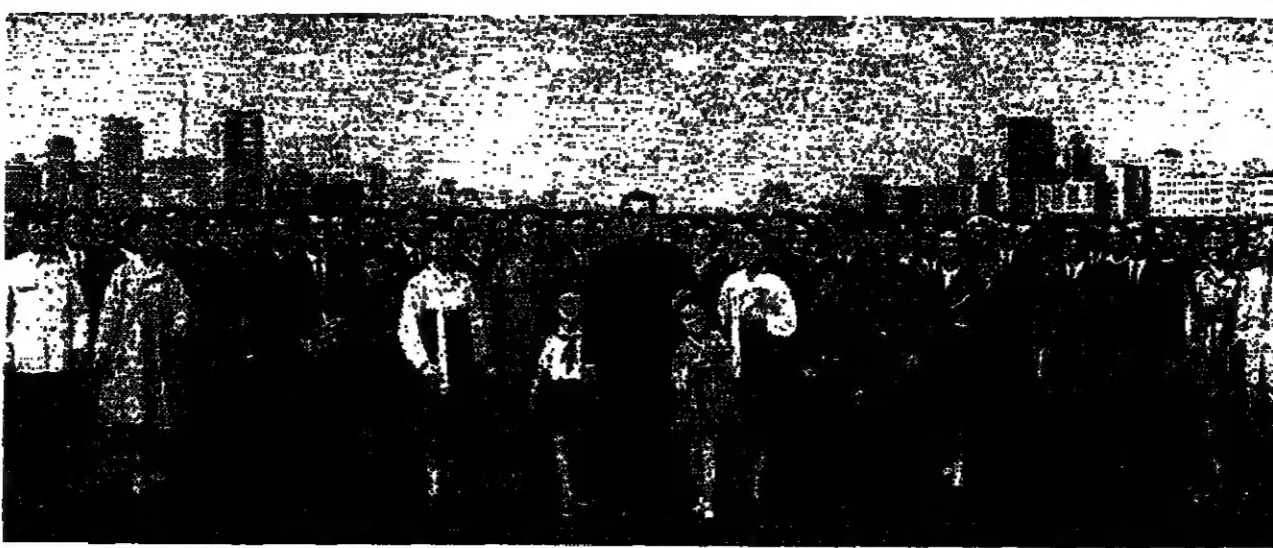
The death of 82-year-old North Korean President Kim Il-sung ends the longest rule of any political leader in the 20th century. His durability was based not only on the brute force of the authoritarian regime that he created, but also reflected his consummate political skills.

Mr Kim's strength rested on his ability to appeal to Korea's strong national pride and his rule was deeply-rooted in Korean tradition. His policy of *juche* (self-reliance), which gradually replaced Communism as North Korea's main ideology, was based on Korean resentment against centuries of foreign intervention.

In his 46 years as leader, he manipulated Confucian principles of filial piety to promote his own role as Great Leader and to establish a dynastic succession for his son, Mr Kim Jong-il.

But Mr Kim's passing is likely to prove it was the power of his personality, bolstered by mass adoration expressed in semi-religious public ceremonies, that was the glue that held North Korea together.

His absence will expose more clearly the faults of his policy of xenophobic nationalism, which carries with it the seeds



Dream of power and benevolence: How Pyongyang propaganda saw the 'Great Leader' and his adoring people

of North Korea's own destruction. His efforts to create a self-sufficient Korea have taken a heavy toll on the economy, apparently heading toward collapse.

Mr Kim's nationalist attitudes were formed in his youth under Japanese colonial rule. He was born as Kim Songju on April 15, 1912, two years after Korea was annexed by Japan. His family moved when he was seven from his birthplace near Pyongyang to Manchuria,

northern China, where he became involved in Communist organisations in his late teens.

Mr Kim became a genuine hero of the Korean independence movement, commanding units ranging from a handful of soldiers to 300-man forces within Manchuria and along the Korean border. But by 1941, Japanese military pressure forced him to withdraw to the Soviet far east.

He used his Soviet military

contacts to gain a leadership position in North Korea Communist party by December 1945 and two months later was chairman of the North Korean provisional government.

Mr Kim introduced popular measures in late 1940s including land reform and nationalisation of the mostly Japanese-owned industry. He became the prime minister of North Korea when the country was officially established in September 1948 and chairman of

the ruling Korean Workers' Party a year later, securing a dominant political position.

His main goal was then to reunite North and South Korea. He deftly played off the Soviet Union against China to gain the support of both for an invasion of the South. The gamble seemed reasonable, as the southern military was weak and ill-equipped, while the US had indicated it would not come to Seoul's defence. But the gamble failed disas-

terously after the US decided to intervene in its first main armed confrontation with the Communist bloc.

With the end of the Korean war in 1953, Mr Kim embarked on a Stalinist policy of forced agricultural collectivisation and creation of heavy industry. The programme relied heavily on Soviet economic aid, including supply of plant facilities and machinery, but it initially provided the North with faster growth than the South.

A critical turning point came with the Sino-Soviet split in 1961 and the Soviet retreat in the Cuban missile crisis a year later. Both events convinced Mr Kim he could not rely on either Beijing or Moscow for his and North Korea's survival.

He began constructing a fortress state that would increasingly divert massive resources from the rest of the economy. He built a domestic arms industry and created one of the largest armies in the world. It was during this period that North Korea laid the foundation for a nuclear weapons programme that would fruition almost 30 years later.

By the early 1970s, North Korea was losing its economic race with the South, which had embarked on its own military-led industrialisation programme in the early 1960s. Pyongyang made one last effort to import western technology to replace outdated Soviet and Chinese machinery, but subsequently defaulted on international bank loans used to buy the equipment.

This was accompanied by political repression, with an estimated 100,000 persons being placed in prison camps. North Korean terrorist activities also multiplied.

But in the late 1980s, North Korea began tentative moves to open itself to the outside world. In 1990 it joined the UN and the prime ministers of the two Koreas began meeting regularly. Progress was capped by the signing of non-aggression and non-nuclear pacts with the South in late 1991.

The North's gradual opening was forced by the collapse of Soviet bloc, which deprived Pyongyang of important export markets and source of vital oil and food imports. The economy began shrinking at an annual rate of 5 per cent after 1989.

North Korea's threat, last year to pull out of the nuclear non-proliferation was regarded as an attempt to win Western concessions and Mr Kim appeared to be achieving his goal of gaining US support when he died.

Beijing hails 'close comrade'

By Simon Holberton in Hong Kong and Our Beijing Correspondent

It is a measure of the importance Beijing attaches to its relations with North Korea that China marked Kim Il-sung's passing with a "personal" message from Deng Xiaoping, the country's paramount leader, and official condolences from the three most senior members of the Chinese Communist party.

Mr Deng, 89, hailed the North Korean dictator as a "great leader" and a "close comrade in arms". This is high praise from a leader whose own efforts in the modernisation of China's economy stand in stark contrast to the ideology of *juche*, the self-reliance that has kept North Korea isolated and impoverished.

Mr Deng sent a telegram to the Workers' Party of Korea central committee saying he was "shocked and deeply grieved" to learn of the death: "The life of Comrade Kim Il-sung was one devoted to the national liberation of Korea and the happiness of the Korean people, and one dedicated to the forging and development of Sino-Korean friendship."

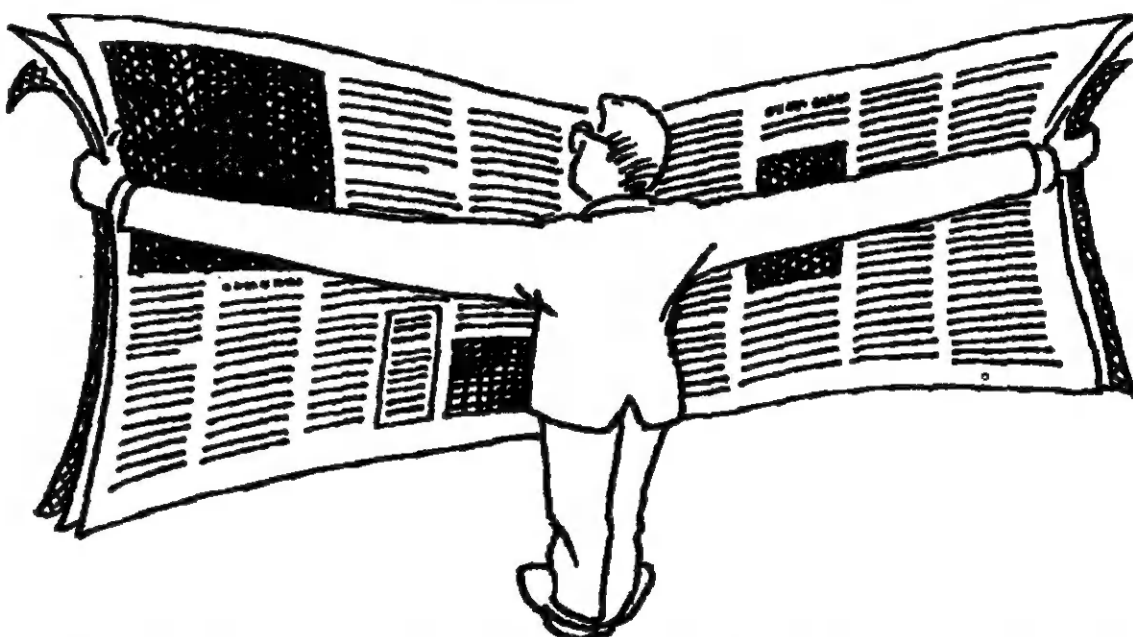
To Mr Deng's condolences were added those of Mr Jiang Zemin, state president, Mr Li Peng, prime minister, and Mr Qiao Guh, head of the National People's Congress, presented under joint authorship.

Political specialists at western embassies in Beijing played down the political significance of the lavish coverage, saying it was a matter of conforming to protocol and protecting China's long and sometimes strained alliance with North Korea.

"China doesn't want North Korea to feel alarmingly isolated, especially in the middle of the talks about nuclear arms. So it sent a reassuring message. And there is probably some genuine compassion by Deng and the old Chinese leaders for a fellow Marxist revolutionary," one diplomat said.

However, it is unclear how much influence Beijing has over Kim Jong-il, expected to be the new leader. The younger Kim cancelled a visit to Beijing in March last year when China refused to arrange meetings for him with senior leaders.

How do you keep up with an expanding Europe?



Europe's essential online business information service from the Financial Times.

Now that the single market is a reality, the need for business information ... on markets, on your competitors, on European legislation... has become more urgent.

So how do you keep up with all of the changes? And how do you separate the useful information from the time-wasting trivia?

You need FT PROFILE.

As a Financial Times reader, you already know where to turn for authoritative reporting on the issues and events that influence European business. FT PROFILE draws on this authority and on hundreds of other

equally important information sources to give you the facts you need - in seconds.

FT PROFILE is easy to use.

All you need is a PC, a phone line and access to FT PROFILE. It helps you sift through the millions of pieces of available information for the facts that can make the difference between a good guess and an informed decision.

To learn more about how FT PROFILE can enhance your perspective on business in Europe and the world, call us now, or simply complete and return the coupon to...

FT PROFILE,
13-17 Epworth Street, London EC2 4DL,
Great Britain. Tel: +44 (0) 71 825 8000.

Financial Times Information Services,
Nibelungenplatz 3, 60318 Frankfurt Main,
Germany. Tel: 069/15 685 - 113.

Financial Times Information Services,
Bureau De Vente Paris, 168 Rue De Rivoli,
75001 Paris, France. (1) 42 97 06 10.

Name _____
Job Title _____
Company _____
Nature of business _____
Address _____
Postcode _____ Telephone _____
Country _____

No. of employees ☐ under 50 ☐ 50 to 100 ☐ over 100
I already use online ☐ Yes ☐ No

FT PROFILE
BUSINESS INFORMATION

PART OF THE FINANCIAL TIMES GROUP

A MAJOR DEVELOPMENT IN THE BIRMINGHAM AREA TO IMPROVE YOUR STATUS

Most manufacturing and certain service sector businesses investing in Birmingham can now apply for the highest levels of grant assistance available in Great Britain.

For further information contact The Business Location Service on 021 235 2222

Birmingham City Council
Economic Development Department

All Advertisement bookings are accepted subject to our current Terms and Conditions, copies of which are available by writing to

The Advertisement Production Director
The Financial Times,
One Southwark Bridge
London SE1 9HL
Tel: 071 873 3223
Fax: 071 873 3064

NEWS: INTERNATIONAL

Split over BCCI chief's plea-bargaining

Government wants co-operation, New York's DA wants a longer jail term, reports Ken Warn

The plea bargain involving Mr Swaleh Naqvi, former chief executive of the defunct Bank of Credit and Commerce International, accepted in Washington on Friday, has left the US Justice Department and the New York district attorney's office at daggers drawn.

The department believes it has secured the most important BCCI conviction so far in the US and won the co-operation in continuing investigations of the number two official at the bank. But the district attorney's office believes Mr Naqvi will be given an unnecessarily light sentence, with little guarantee that he will be able to significantly advance the BCCI investigation.

The department may have taken a calculated risk in negotiating a deal with Mr Naqvi. It hopes his promise to co-operate will help unravel the colossal fraud at the bank, closed by international regulators three

years ago, more than a long and possibly difficult trial would.

In unveiling the plea bargain, federal lawyers said Mr Naqvi would co-operate with the Justice Department, the Federal Bureau of Investigation and any other federal or regulatory agency as directed by the US authorities.

Mr Joseph diGenova, Mr Naqvi's lawyer, told the court his client had already assisted the US authorities and would continue to co-operate fully, reviewing and identifying the hundreds of thousands of BCCI documents now in the US.

Under the deal, Mr Naqvi pleaded guilty to charges of fraud, conspiracy and racketeering. Sentencing, likely to comprise a jail term of 5-8 years after taking into account almost three years Mr Naqvi spent in custody in Abu Dhabi, is due in October.

However, even before the deal was presented in court it came under fierce attack from

Mr Robert Morgenthau, the New York district attorney, whose office has aggressively pursued the BCCI investigation for five years.

Mr Morgenthau wrote to the court on July 5 complaining that the sentence called for in the plea bargain was too light and urging a jail sentence of

'The defendant's crime was a long-term, calculated crime of treachery,' the district attorney's letter said.

17½ years or more. "The defendant's crime was a long-term, calculated crime of treachery," the letter said.

But the objections of the district attorney's office run deeper. "Where I come from you plea-bargain with the little fish to get the big guy, not with Naqvi to get the little guys," said one official. He was sceptical about the extent of Mr Naqvi's past and future

co-operation with the US authorities.

Mr Naqvi pleaded guilty to defrauding US regulators and to engaging in a conspiracy with Mr Agha Hasan Abedi, BCCI's founder, secretly to control four US banks, including Washington-based First American Bankshares.

In its submission to the court the department cited fears of a long and expensive trial as one of the reasons for taking the plea-bargain route. Mr diGenova reinforced that argument by saying that had his client come to trial he would have challenged every document brought in evidence and the reliability of key witnesses.

Department officials also point to the difficulties Mr Morgenthau's office experienced in its case against Mr Clark Clifford, former US defence secretary, and his law partner Mr Robert Altman, whom it accused of conspiring

with BCCI in the takeover of First American Bankshares. Mr Altman was acquitted last year and charges against Mr Clifford were dropped because of his ill health.

While the US authorities question Mr Naqvi behind closed doors, and Mr Morgenthau tries to push him into open court, there is another court proceeding which could throw light on the mechanics of the BCCI scandal.

In June, three former BCCI non-executive directors filed suit in the US against Abu Dhabi, the bank's majority shareholder, seeking \$100m (£65.7m) damages for the harm done to their reputations by the bank's collapse.

Lawyers for the three are seeking access to the BCCI documents in the US, claiming they will give a much fuller account of the fraud than has so far emerged and throw light on the role of Sheikh Zayed bin Sultan al-Nahyan, the ruler of Abu Dhabi.

Weightless love for spacefish

By Paul Both, Aerospace Correspondent, at Cape Canaveral

There are "astronews" in space. They were launched, on Friday, aboard the US space shuttle Columbia.

But in a mission loaded with 125 jellyfish, 11,200 baby sea urchins, 144 newt eggs, 180 tadpole eggs and 340 fish eggs, all eyes are going to be on just four Japanese Medaka fish.

For these orange, one-inch-long, freshwater fish may be about to provide some answers, not just on sex in space, but on food in space too: solving two thorny issues for manned space exploration ahead of the construction in orbit of a \$30bn (£19.7bn) international space station.

Due to begin in 1997, the space station should be completed by June 2002, if governments maintain their funding commitments. The Medaka fish experiment is aimed at developing fish breeding tech-

nology to provide the space station astronauts with a source of high-protein food.

Scientists first tried to get rats to conceive in space, but they bounced off one another in a zero gravity environment. However, the tiny Japanese fish have a peculiar tolerance for weightlessness, unlike most fish, which swim in wild looping patterns when exposed to microgravity.

They also have a short life cycle, of three months from one generation to the next, and once fertilised, Medaka eggs hatch within eight days. This will give the crew the opportunity to watch the fish mate and see their eggs hatch. But should the two amorous pairs of Medaka fish find it hard to have sex in space, the shuttle crew will experiment with the 340 artificially inseminated Medaka eggs also aboard the Columbia to study embryonic growth which, some scientists say, could help research into human embryo-

WORLD CUP

Flashes of beauty mark Brazil's triumph

Nobody will ever remember the first half of Brazil vs Holland in the World Cup quarter-finals in Dallas on Saturday. Few will ever forget the second.

It went 1-0 and then 2-0 to Brazil, then 2-1 and 2-2 as the Dutch miraculously rallied, only for Branco, the mid-fielder, to step into an 80th minute free kick from 30 yards and bury it, conclusively, off de Goey's left-hand post.

It was not only the goals. The second half saw soccer at its very best, with skill, passion and controversy of an order that deserves to be corked and bottled by the million cases, to be opened whenever the sport goes dull as a reminder of how it can be played.

After the team's disappointing second-round performance against the US last Monday (Brazil won 1-0), many Brazilians feared a loss against Holland. And many still think Brazil are not playing as well as they should.

Despite this team's unbeaten record, Brazilian sports writers had condemned what they called "ugly and artless" soccer and manager Carlos Alberto Parreira was singled out for criticism.

But on Saturday, Romario and Bebeto were the catalysts. The twin Brazilian strikers came out after half-time determined to take the match by the scruff of the neck - and did so. Twice in the first three minutes Romario went close, and after 51 minutes he put Brazil ahead.

It was Bebeto, inevitably, who set

Jurek Martin watches as the three-time champions hold off an exciting Dutch fight-back

it up, released at top speed by Dunga's through ball into the area. His left-foot cross was without flaw but, even so, bounced awkwardly for Romario - though not too awkwardly for a reflex right-foot half-volley from 10 yards that no goalkeeper could have touched.

Brazil were rampant now, Bebeto hitting the post and Romario foiled by de Goey, running past Dutchmen as if they were lamp-posts. But it was Romario at a walk who was the vital ingredient in Bebeto's 61st-minute goal.

Romario was strolling back, unconcerned and indisputably off-side, from the Dutch area when Bebeto latched on to a headed ball from the Brazilian half, broke one tackle, rounded de Goey and tapped the ball home. The Dutch stood still, waiting for the flag against Romario, but after consultation the referee and linesman stuck to the new letter of the law - that the Brazilian had been "passive" to the play in progress.

Brazil then relaxed, almost fatally. Two minutes later, a throw-in from the left saw Bergkamp surviving one half-hearted challenge and beating Taffarel in the Brazilian goal from close range with a hard right-foot shot.

Taffarel had lasted the equivalent of more than three matches without having to save a direct shot, but he

was under the gun now, first from Jonk, then from Winter. Yet Taffarel seemed asleep in the 76th minute, rooted to his line as Winter rose to an Overmars corner and headed home the equaliser from no more than six yards.

Now it was Brazil's turn to show mettle. Branco, in for Rai in mid-field, immediately unleashed a 35-yard range-finder that de Goey touched over. Satisfied, when the free kick came moments later - following the only foul that could be described as remotely dirty - he completed the scoring.

That finally took some of the stuffing out of the Dutch. Manfully though they tried in the closing minutes, forcing some un-Brazilian punts into the crowd and unoccupied corners of the pitch, they created no more clear chances.

But it was no disgrace to lose this one. There may have been moments when Romario and Bebeto ran five yards before their markers moved one foot, but the Dutch defence mostly compensated and covered. Koeman misread some thunderbolts, blocked by Brazilians who will know it on the morrow, and Bergkamp and Overmars showed that the Brazilian defence is far from invincible.

Yet nobody has found a way to keep Romario and Bebeto quiet. A ball and chain might help.



Frank Rijkaard of Holland challenges for the ball with Brazilian mid-fielder Dunga during Saturday's quarter-final clash in Dallas

Bulgaria come from behind to knock out Germany 2-1

Outsiders Bulgaria struck twice within three minutes in the second half to send defending champions Germany crashing out of the World Cup at Giants Stadium in New Jersey yesterday.

Goals by Stoichkov and Letchakov ended Germany's reign to put Bulgaria into the semi-finals for the first time. German captain Lothar Matthäus, making a record-equalling 21st appearance in a World Cup finals game - joining his countryman Uwe Seeler, Wladislaw Zmuda of Poland and Argentina's Diego Maradona - fired the Germans ahead from the penalty spot in the 49th minute after strikers Klinsmann and Völler had both been brought down.

Bulgaria then seized the initiative and Stoichkov curled in a free kick in the 76th minute to bring the teams level. Three minutes later Letchakov - who had been at fault for the German penalty - scored the winner with a spectacular diving header. Lankov lofted a center from the right and Letchakov dived for it with Hässler, got there first and directed a well-placed header between the diving German goalkeeper Ilgner and the right-hand post.

Ironically, Hamburg mid-fielder Letchakov, who was 27 yesterday, is the only German-based player in the Bulgarian squad.

It was sweet revenge for Bulgarian coach Dimitar Penev, whose team have also beaten the other 1990 finalist, Argentina. Penev played against German coach Berti Vogts in the 1970 World Cup in Mexico, when West Germany beat Bulgaria 5-2.

Bulgaria, who last beat then West Germany in 1960 and who had not won a World Cup game in five previous visits to the finals, now meet three-time champions Italy in the semi-finals, also at Giants Stadium, on Wednesday.

Protocol guides move quietly

Among thousands of World Cup volunteers, there is a select group that says it is better to be seen than heard. World Cup "protocol ambassadors" move quietly among groups of foreign politicians and diplomats who are visiting the US to watch their countries play soccer.

"It is a heavy responsibility," says Marianne Ward, chief of protocol for the World Cup venue at Giants Stadium in East Rutherford, New Jersey. "The

Results

Spain	.....	1	Italy	.....	2
Holland	.....	2	Brazil	.....	3
Germany	.....	1	Bulgaria	.....	2

Semi-Finals

Wednesday, July 13
Italy vs Bulgaria
New Jersey 5pm BST
Brazil vs Romania or Sweden
Los Angeles, 12.30am Thurs

Final

Sunday, July 17
Los Angeles 8.30pm

protocol ambassadors may be the closest that these dignitaries come to an everyday American." Protocol ambassadors are at each of the nine World Cup sites. They are responsible for meeting foreign VIPs at airports and guiding them through their visit. Sam Destito, a lawyer, said he became a protocol ambassador because he felt the world was issuing a challenge to America. "I don't think the rest of the world thought America could handle the responsibility of the World Cup games," Destito said. "Now visitors compliment me on our country's ability."

Salenko still leads goal chase

Oleg Salenko still tops the World Cup scoring race though he hasn't had a chance to add to his tally. Russia bowed out after the first round. To overtake him, someone has to crack a six-goal barrier that has not been broken in 20 years.

Salenko, 24, netted five goals - a World Cup record for a single game - in Russia's 6-1 rout of Cameroon on June 26. Then he and his team went home.

Possessing the top scorer was not enough to win the World Cup trophy at the last two tournaments, where the leading marksmen were Italy's Toto Schillaci (1990) and England's Gary Lineker (1986).

But Paolo Rossi scored most goals when Italy won the championship in 1982, as did Mario Kempes when Argentina won in 1978.

Czechoslovakia's seven goals for Poland in 1974 was the last six-plus total. Just Fontaine's 13 goals for France have stood as all-time high since 1958.

Italy ride luck and history to see off Spain

For the Azzurri, results are mattering more than how they are playing, writes Jurek Martin

The way things are going, Italy will win this World Cup: not because the Azzurri are the best team - charitably, on current form, they would barely scrape into the top 10 of the 24 who qualified - but because they have a winning formula.

It works like this. Play like drains: be savagely criticised back home for performance, and allow one or other Baggio to score the necessary minimum of goals.

It worked against Spain in the quarter-finals on Saturday, as it had against Norway and Nigeria. For much of the match, the presumed contest between Italian offence and

Spanish defence leavened by speedy counter-attack never materialised. Spain controlled most of the game and rarely used their fleetness while Italy, competent defence apart, showed all the inspiration of soggy, over-cooked *pasta*.

But the Italian defence held - temporarily - and the Baggios did their bit. In the 28th minute, Dino, the game-winner against Norway, found himself with a bit of room 25 yards out and bent a right-footed out-swinger past Zubizarreta in the Spanish goal. Roberto's fake run across the middle may have momentarily screened the Spaniard from a clear view.

Spain drew level after 58 minutes on a deflected shot from Caminero and proceeded to dominate. More than that, Salinas, a second-half substitute, should have disposed of the increasingly tired Italians after 82 minutes when set free alone in front of Pagliuca 10 yards out. He mis-kicked embarrassingly.

That set the stage for Roberto Baggio; previously, an early blocked shot excepted, he had been a mostly marginal performer. After 87 minutes, an instinctive flick from Sig-nori, only introduced after the break, set him loose on the right of the area. Checking the scoreboard clock for dramatic effect - his

equaliser against Nigeria came a minute later - Baggio deftly rounded Zubizarreta and right-footed it under the covering Abela from an acute angle.

Spain, quietly impressive throughout the tournament, with as many goals (nine before Saturday) as anyone, must wonder why they lost a match they played well enough to win. There was less down the flanks than in previous matches from Ferrer and Sergi, who was withdrawn after an hour and less than a minute after helping to set up Caminero's goal. But otherwise few feet were put wrong, and particularly not Caminero's.

The answer can only lie in history and familiarity. Spain have never gone beyond the quarter-finals, and 16 of the players on the pitch on Saturday had taken part in the European Cup final not so long ago between AC Milan and Barcelona. AC's 4-0 victory was a lot more convincing than Italy's 2-1, but the result was the same.

For the Azzurri, these days, it matters less how they play the game than how it turns out. And history is on their side. In 1982, in Spain no less, their early matches were also undistinguished, but then Paolo Rossi got untracked. Two Baggios may yet equal one Rossi.

The technology services behind WorldCupUSA94
For further information call Bill Wright on (443) 81 754 4318

EDS

The sophisticated real-time database designed by EDS means journalists covering World Cup USA 94 have been getting results, news and information on a computer screen the very second it happens. As every journalist will admit that's spectacular, even by Brazilian standards.

Brazil isn't the only team to have impressed the 7,000 journalists at the World Cup.

Tories to lobby over Post Office sell-off

By Roland Rudd

Conservative backbenchers opposed to the privatisation of Britain's Post Office are planning to lobby the government in favour of selling only a minority stake to keep the corporation in the public sector.

After a series of private meetings in the Commons the MPs have accepted the need to inject private capital into the Post Office.

But instead of the government's preferred option of selling 51 per cent of the shares in the Royal Mail and Parcelforce they are arguing for a flotation of 30 per cent.

The MPs say the recent 30 per cent share sale in Koninklijke PTT Nederland, the state-owned Dutch postal and telecommunications company, provides a good example of how private capital can be injected without full privatisation.

More than eight Tory MPs say they oppose the government's preferred option and have threatened to vote against it if put to a vote, wiping out the government's majority of 15.

Mr Michael Heseltine, trade and industry secretary, is confident he will be able to win over the remaining Tory MPs opposed to his privatisation plans.

However the MPs, by taking the unusual step of meeting together, have made it clear to Mr Heseltine in one-to-one meetings they are planning "a big fight" to prevent the corporation moving into the private sector.

Mr Nicholas Winterton, Macclesfield's Conservative MP, accused the DTI of making misleading comparisons between the Dutch sell-off and its current privatisation plans for the British Post Office.

"I am in favour of selling off a minority stake so long as the corporation remains in the public sector," he said.

Mr Hugh Dykes, MP for Harrow

East, and Mr Patrick Cormack, Staffordshire South, who have urged Mr Heseltine to draw back from privatising the Post Office, favour a 30 per cent sale. But Mr Cormack said he would be happy to see up to 49 per cent of the shares sold.

Tory MP Sir Teddy Taylor said he also backed a 30 per cent sale of the Post Office. "It would be a bad bargain for the taxpayer if we sold 51 per cent ahead of the massive benefits that the corporation says will flow from commercial freedom."

Mr Robert Hicks, Conservative MP for Cornwall South East, said he would like the Post Office to

remain in the public sector with the removal of the Treasury constraints on it. He said, "I would be less worked up by a 30 per cent sale. But there is no way that I am going to commit myself to the 51 per cent sale."

Although Mr Heseltine has committed the government to a uniform affordable tariff, Mr Hicks pointed out that electricity privatisation led to regional price differentials after similar assurances.

Party managers are still hopeful of bringing forward a bill in November to privatise the Royal Mail and Parcelforce after the consultation period ends in the autumn.

Britain in brief



Housing cash sought in Germany

Representatives of UK housing associations will today invite German mortgage banks to raise finance for building inexpensive homes for rent or sale.

The Housing Corporation, the quango that distributes government grants to English housing associations, is co-hosting a seminar in Frankfurt for more than 30 German banks in its quest for new sources of funding for housing associations.

Associations at present raise about 40 per cent of the cost of building new homes from private-sector borrowing. They have raised £5.5bn since 1989, including more than £1bn through sterling debentures.

The corporation estimates that associations will need another £7bn over the next four years, and is keen to expand the investor base. It hopes to persuade the German banks to issue sterling Pfandbriefe, long-term fixed-interest bonds, to raise funds.

Speakers at the seminar, organised in association with Rheinische Hypothekbank, include representatives of the Treasury and Department of the Environment, as well as current UK lenders.

adequate induction or training for staff and managers and few had bothered to look at the health and safety records of contractors they hired.

The report found that only 43 per cent of employers had held a fire drill in the past six months, even though they should have done by law.

While nearly three-quarters of the respondents regularly employed contractors on their sites, only half of them included health and safety in the contract or checked the contractor's record on health and safety before hand. Less than half of them bothered to monitor contractors' safety performance or imposed penalties for safety lapses.

Water rules 'too generous'

Consumers have not had a fair deal on water prices since privatisation, the National Consumer Council says today.

The regulatory system has been too generous to the companies, says the report, which comes two weeks before Mr Ian Byatt, industry regulator, announces new price controls.

Operating profits of the 31 regulated companies rose by an annual average of 30 per cent from 1989-90 to 1992-93 and profit margins increased from 23.7 per cent to 35.5 per cent. Yet water bills for domestic customers have increased by an average 67 per cent.

Investment mood upbeat

UK companies' investment intentions have risen in spite of tax increases, Lombard Business Finance said.

In June, 63 per cent of companies surveyed planned to purchase a major asset over the next three months, up from 61 per cent in March.

Companies are mainly investing to increase efficiency, rather than to expand capacity, according to Lombard, while the proportion of companies saying that the tax changes had caused them to cut investment plans was just 19 per cent in June, down from 27 per cent in March.

Government set for busy period prior to recess

By David Owen and John Williams

The British parliament's last nine sitting days before MPs disappear for their three-month summer break will bring a flurry of ministerial statements and policy documents on subjects as diverse as accruals accounting and the homeless.

It is a time-honoured tradition at Westminster that the last few days of a parliamentary session are dominated by long-awaited government announcements, but this year may break all records.

Between today, when Mr John Major reports to MPs on the world economic summit in Naples, and July 21, when parliament's summer recess starts, at least nine significant government announcements are expected. Others, including a statement on parliamentary reform and a heritage department white paper on privacy and press freedom may also emerge.

In addition to the prime minister's G7 statement and his much-flagged cabinet reshuffle which is set to be unveiled during the next ten days, Westminster watchers are expecting:

- An Efficiency Unit study on the future of government research establishments.

- A white paper on the future of the civil service. To be published on Wednesday, this will propose ending centralised pay bargaining and introduce personal contracts for more than 2,000 top mandarins. Further privatisation will be predicted, with the civil service to drop from 540,000 to 500,000 over the next four years.

- A Treasury green paper on the shift from cash accounting to accruals accounting. Also expected around the middle of the week, this will provide detailed proposals on how the public sector presents its accounts, bringing it more in line with the private sector.

- A Commons statement by Mr Malcolm Rifkind, defence secretary, on defence cuts. Expected on Thursday, this may seal the fate of the Rosyth naval base in Scotland.

- New regulations setting a stiffer residency test for EU nationals who say they are looking for work in the UK and seek to claim benefit. The new rules are due to come into effect in August.

- The announcement of a number of recommendations by the government's deregulation task force, including a proposal that would allow thousands of charities to escape the requirement for an annual independent examination of their accounts.

Archer probe result expected soon

By Richard Donkin and Kevin Brown

Britain's Department of Trade and Industry hinted strongly yesterday that a report on the investigation into Lord Archer's alleged involvement in insider dealing might be expected within a week.

The DTI acknowledged the urgency to settle the affair as it came under pressure to provide a full explanation of the circumstances in which it disclosed Lord Archer's name at the centre of the investigation.

Lord Archer publicly fended off questions about the inquiry for the second day running yesterday when he hosted an auction to raise funds for the Globe Theatre replica on London's South Bank.

However, his friends have been pressing for an early announcement which they believe will clear his name. Continuing uncertainty about the outcome of the investigation is leading to increasing speculation about the ministerial reshuffle, expected shortly.

Mr Major, at the G7 summit in Naples yesterday, refused to say whether Lord Archer would feature in the reshuffle if as his friends claim, the former party deputy chairman is exonerated by the DTI.

The prime minister said the matter must rest with the DTI and the investigators appointed to investigate allegations of insider trading. "I don't think it would be at all right for me to offer any further comment on that whatsoever," he said.

However, if the DTI gives



Lord Archer conducting the celebrity auction at The Globe theatre in London yesterday. Press Association

Lord Archer a clean bill of health before the reshuffle, his chances of securing a government post are believed to be the same as they would have been had details of the inquiry remained confidential.

Questions by Conservative MPs into the way the DTI handled the disclosure of Lord Archer's name reveal deepening concerns about further damage to public confidence in the government if the are

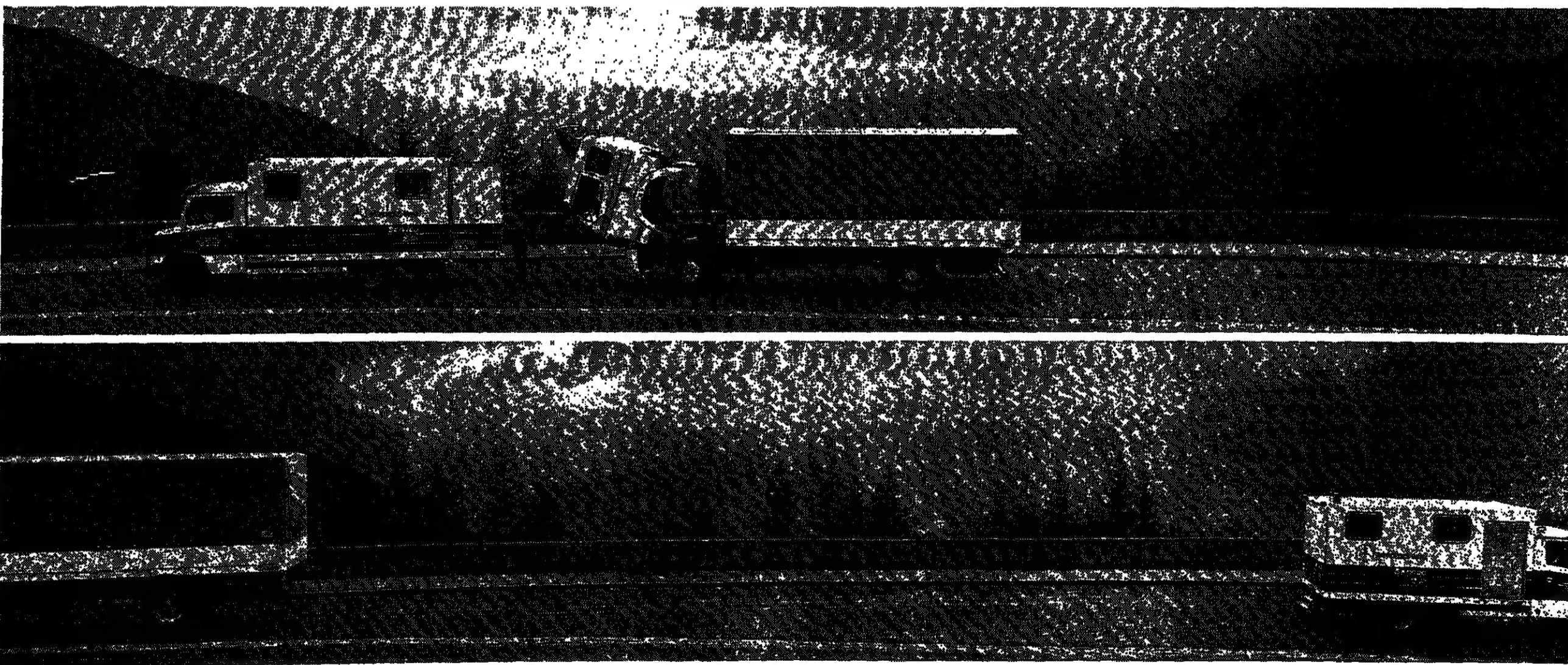
allowed to go unanswered. They arise at a time that Mr John Major, the Prime Minister, believed he had put one of the stormiest periods of his premiership behind him.

The investigation, launched last February, centres on share dealing in Anglia TV during the run-up to an agreed takeover bid which sent shares soaring. Lord Archer's wife, Mary, is a non-executive director of Anglia. The DTI has

refused to discuss details of the inquiry, but it is believed to involve a single transaction involving 30,000 shares and a profit of about £50,000.

One newspaper report yesterday quoted friends of Lord Archer saying he expected the Department of Trade and Industry to issue a statement saying he was "totally innocent of any wrongdoing". Otherwise he would consider legal action, they said.

Barcelona, Baden-Baden, Basingstoke. To Mercedes Service 24h, they're all just a couple of hours away.



Many Mercedes-Benz trucks and vans put in a lifetime's work without needing any more than routine maintenance. But if a Mercedes ever does come to an unscheduled halt, there's another one ready and waiting to hit the road. The Service 24h rescue vehicle.

As the name implies, Service 24h works round the clock, all year long. And

whenever a Mercedes operator calls, it's ready to spring into action. Providing fault diagnosis and repair at the roadside and helping the driver to get the load moving again.

In most cases from the phone call to the truck resuming its journey takes under three hours. That's a response time for Mercedes-Benz operators throughout

Europe, from Southern Spain to North Germany. (Some other manufacturers boast about local UK response times. But that's not a lot of use when you're stuck at the other side of Europe.)

With Mercedes-Benz, you have the world's largest manufacturer of trucks and vans behind you, offering support from over 2700 service points in Europe

alone. And you have the additional reassurance that all Service 24h rescue teams are trained to know the Mercedes-Benz range inside out. Which means that they won't start taking the truck apart if it's a just simple electrical relay that needs replacing.

Of course, Mercedes-Benz has always been famed for reliability. And in an ideal

world, there would be no need for a rescue service because our trucks would never break down. But until that time comes, we're keen to make Service 24h the best service in Europe. Wherever you are.

It's ironic, in a way. We set out to make Service 24h the best rescue service in the market. And then do our very best to ensure that they never get any practice.



Mercedes-Benz
Trucks and Vans

A Member of the Daimler-Benz Group

For more information on the Mercedes-Benz range, finance and service packages, phone free on 0800 181361 or write: Mercedes-Benz Trucks and Vans, Dept. C3, FREEPOST, RM80S, Ilford, Essex IG2 6BR

MANAGEMENT

The retuning of Fiat's engine

The Italian group's big losses have overshadowed far-reaching changes in its culture, writes Andrew Hill



During its 85-year history, Fiat has often behaved as though it were an arm of the Italian government – a strict hierarchy with diplomatic, commercial and industrial functions parallel to those of the state, headed by a patriarchal chairman, Gianni Agnelli.

Over the last few years, however, Fiat, in common with Italy, has been struggling to change deep-rooted management and working habits. "Fiat today is a different Fiat compared with the company of five years ago," says Giorgio Garuzzo, chairman of Fiat's three core divisions – cars, commercial vehicles and agricultural and construction equipment. "We're not talking about revolution, because we have never sought to break with the past, but undoubtedly an evolution of far-reaching importance."

But as the group starts to recover from last year's record loss, the same questions are being asked about the "new Fiat" as about the new Italy: how deep do these changes go, and will they last?

The first indication that Fiat would attempt to change its culture came in 1989, when the group's blunt-talking chief executive, Cesare Romiti, presented 200 Fiat managers with a highly critical analysis of the problems facing the group, which he described as "sad, lagging and bureaucratic".

Fiat Auto was the most obvious culprit. In spite of earlier efforts to reform the Fiat car business, the group's principal operation was heading for a new decade with an outdated product line – it was six years since the launch of the acclaimed Uno in the popular small-car range – and a reputation for poor quality.

That reputation was not helped by an unspoken assumption within the company that customers were prepared to compromise on quality if the price was low enough – a fallacy which was about to be exploded by more efficient Japanese car manufacturers. Protected from Japanese competition at home, and coddled by a comparatively buoyant Italian market, Fiat Auto had been able to defer important decisions.

This was dangerous, not only for the division itself, but for the whole group. Fiat operates in more than 60 countries and has 15 distinct activities, including aviation, railway rolling stock, chemicals, publishing and financial services. But Fiat Auto still accounts for more than half of group industrial turnover and nearly 70 per cent of group revenues are drawn from the three principal divisions (cars, trucks, farm and building equipment). The

group's top managers are almost invariably drawn from these businesses.

Analysts now criticise Fiat Auto for moving too slowly and not anticipating the inevitable cyclical downturn in the car industry after the years of plenty. But Garuzzo points out that the company was working gradually on a change of management strategy from the end of the 1980s.

For example, Fiat started to introduce the "total quality" concept from 1988 across the group, attempting to change attitudes, reform relationships with suppliers and involve workers more closely in devising solutions to production problems. Garuzzo concedes this is "not a strategy that gives results overnight", but five years later it has spawned Fiat Auto's first "integrated factory" at Melfi, in southern Italy, which is producing the new Punto small car.

Melfi, which came on-stream this year, is one of the main reasons why Fiat believes the changes introduced over the last five years will stick.

There, Fiat is trying to delegate more responsibility to units of workers and managers. There is no separate building for central staff and the old blue-collar/white-collar distinction is abolished: everybody wears the same overalls, distinguished only by small coloured labels, and decisions are made by work teams on the factory floor.

"At Melfi, the worker doesn't exist any more," read a recent headline in an admiring article in *Il Sole 24 Ore*, Italy's business daily.

Practically, it is easier to establish an integrated factory from scratch – on a site such as Melfi, where production lines can be mapped out for ease of access and component suppliers located next door, for example – than impose it on to a well-established plant such as Turin's Mirafiori, originally built for a different production strategy.

Garuzzo admits as much: "Undoubtedly Melfi is a workshop for [the management strategy], because starting with a greenfield site is always more simple. There aren't any old concepts and no psychological resistance to overcome."

Fiat executives believe the enthusiasm of the Melfi workers, who are mostly in their mid-30s, compared with an average age of 46 at other Fiat factories, will infuse the whole group. However, Fiat unions claim that although Melfi's employees – drawn from a region with high unemployment – were keen on the project at the outset, disillusionment is beginning to set in as some of their high expectations are confounded.

Melfi is not the only element of the Fiat Auto strategy, however. Parallel changes in the company's approach to product development are also beginning to bear fruit. Fiat Auto has long since abandoned the accepted wisdom that you can introduce new basic models as rarely as once a decade and keep the range fresh with occasional restyling. At eight to 10 years, Fiat's product cycle in the mid-1980s was short compared with the industry average, but by the early 1990s, the changeover period looked sluggish, particularly when compared with Japanese competitors.

From 1991, the company began working on reducing this renewal cycle to five to six years. The full impact of this change will be obvious in 1996, by which time 18 new models should have been launched and the Punto will be one of the oldest Fiat models still produced.

Also for Fiat, this heavy investment of time and money coincided with a reduction in the competitiveness of Italian industry, due partly to high labour costs. The competitiveness problem was eased in 1992, when the Italian currency was devalued and the link between wage increases and inflation cut. But it was at that point that the European car market, and Italy in particular, slipped further than anyone had predicted.

"We suddenly found ourselves with an extraordinary mix of problems to manage, issues to face up to and programmes to take forward," explains Garuzzo. "Our basic decision was not to stop any of the programmes which were going on, because that would have further damaged our competitiveness."

As a result, as Fiat has been eager to point out, although the group recorded its largest loss in 1993 – L1,780bn (\$786m) after tax, extraordinary charges and minority interests – it also devoted a record L3,800bn to research and development and capital expenditure, much of it to improving Fiat Auto's sales network in preparation for the launch of new models.

Meanwhile, the number of employees in the whole group has fallen from more than 300,000 in 1990 to just over 260,000 in 1993, and in Fiat Auto from 133,000 to 120,000. Cuts in Italy have been eased by government-sponsored redundancy agreements, while the number of Fiat Auto employees abroad has increased.

But in spite of the confidence of top Fiat management, Susanna Camusso, national secretary responsible for Fiat at FIOM, the main

Italian engineering union, believes the cultural changes have not yet permeated through all levels of the group. "There are people within Fiat who have chosen this new culture, but others who still think that the old system was fine," she says.

"Companies develop characters like people," agrees one analyst. "Sometimes after the age of 15, or even five years, or six months, there's nothing more you can do about changing that character."

As Fiat finally tries to reap the benefits of its painfully implemented management strategy, it must try to dispel three main concerns.

One is the danger that complacency will again set in as the recession begins to lift. Garuzzo and his colleagues say the risk of "decadence" (decline, or decay) still exists, "but this new system of management which increases everybody's participation should create motivation internally to resist this trend". Whether this is true may not become obvious until the next downturn in the market, by which time it could be too late to amend the strategy.

A second risk is that Fiat's foreign plants – for example in Poland, Turkey and Brazil – begin to generate the sort of industrial relations problems which have largely been banished from the main Italian operations. Last week, for example, Fiat Auto's Polish workers voted to strike to try to force a 40 per cent pay increase.

Finally, there is the open question of the Fiat succession. Gianni Agnelli is 73 and Romiti is 71. Last year both of them decided to stay on rather than handing on the chairmanship to Umberto, Gianni's brother, this summer as originally planned.

Agnelli argued at the time that the market turmoil, the poor group results and the fact that Fiat had just launched a complex L5,000bn package of measures to raise cash meant investors did not want a new hand on the tiller. Some now believe the real reason was that neither Agnelli nor Romiti wanted a new chairman and chief executive to claim the credit for Fiat's recovery.

Certainly there was no hint of impending change at last month's shareholder assembly, where Agnelli forecast a return to profit for the group this year. But in a company attempting to eliminate unnecessary hierarchical management and to create, in the words of one executive, "a flat and wide [management] unit", the dynamic structure of Fiat's top management is beginning to look increasingly out of date.



DESERT ISLAND MANAGER

Janet Reger

Janet Reger, the woman who made lingerie and luxury synonymous, is well-prepared for working from a desert island. Having once taken a three-week trip to Venezuela, she ended up staying three months, steering her company via a fax.

So, with that same fax and a telephone, what else would be vital for the Reger Island office? "I'd need a subscription to *Women's Wear Daily*. It's a trade paper printed in the US but which covers the world. I didn't have it in Venezuela but would need it for an extended period away from London."

And for recreational reading? "The Bible and I'd actually read it from beginning to end which is something I've always wanted to do. There are so many stories it would keep me interested, give me food for thought and maybe even some spiritual comfort if I really got lonely."

A companion would combat loneliness. Who would it be? "I'd like him to be good looking and a good conversationalist. It would have to be a him really. It would be difficult for two women to be on an island together. I'd also want someone who was useful, someone who could do all the jobs on the island."

One item to preserve sanity is allowed. "A Sonic Hedgehog game. It would keep me amused during those long tropical rainstorms when I was too bound. I find it absolutely compulsive to play."

What would you eat? "Häagen Dazs ice cream – chocolate or coffee flavour, or preferably both."

And drink? "Coffee. I really love coffee. It wouldn't bother me if I didn't have alcohol at all but I would miss coffee dreadfully."

What film would you take? "I'm a regular cinema-goer but I can't think of a film that I could see over and over again. Maybe the film of my daughter's wedding would be good because it would remind me of all my family and friends back home."

In the office you can have one object to remind you of your early days in business. "A coffee pot I bought in a market in Nazareth when I was there very early in my marriage. It was the only thing we quarrelled about in our various comings and goings. I left him several times and kept going back only to leave him again."

What would you most like about desert island life? "Seeing everything from one step away. When I was in Venezuela I was better at making decisions. I was clearer and calmer. Here I get into a flap when people come to me with a problem because they come to me in a state of agitation."

You can impose one condition to compensate for your exile. "I would need an increase in my business so I could stay away and we could have someone to replace me in the London office."

Desert island attire is pretty basic but you can take one luxury item to wear. "Make-up, especially a bit of mascara. Once you have no sun, you don't need much else."

Christine Buckley

Trying to unlock the treasure within

I am a normal person. I know this because a career counsellor has just told me so.

The other day I received a Perspex treasure chest bearing an invitation to a "dynamic afternoon of career psychodrama and hands-on interaction using a myriad of state-of-the-art techniques, presented by the experts, KPMG Career Consultants". Thus it was that last Tuesday I found myself having my behaviour assessed, my lifetime read, my self-image examined in the company of solemn personnel directors from some of Britain's biggest companies.

The "state-of-the-art techniques" revealed variously that I am impatient (I knew this already), that I will never be the life and soul of the party (which I was distressed to discover) that I like being in control (I have been told as much before) and that I do whatever I'm told (which was news to me).

My first visit was to the image counsellor, who handed me some crayons and a large piece of paper.

"Draw anything, an island, your family, anything," she said. I drew a picture of myself in a taxi in a tunnel – an image I chose because cars are the only thing I can draw and because the picture described my most recent journey. "That is a very strong image. It must be very strongly felt," she said, looking over my shoulder. She then asked if I was "expecting", and suggested that my anger at the situation might be to do with protecting the unborn child. I said I very much doubted it, and she reminded me that the point of these pictures was to bring hidden emotions to the surface.

A second expert invited me to plot my lifetime, marking the main events in my personal and professional life as highs or lows on a chart. I had trouble even beginning this exercise. I couldn't decide whether being born was a high or a low point – as far as I can remember (which is not at all) it wasn't really either.

I should have performed better with the computer, which asked me

LUCY KELLAWAY



to write an imaginary newspaper headline and story about myself. But my mind went blank when it came to thinking up a sufficiently newsworthy future achievement.

Finally I replied to 108 repetitive questions asking whether my friends told me their closest secrets and whether they included me in their activities. According to this psychometric test my behaviour is "really quite normal".

There can be no doubt about it: this career psychodrama was more diverting than an afternoon in the office. But I am not sure how I would have felt about it had I been attending under normal circum-

stances. Usually the exercise takes a full week, and is paid for by companies as a parting gift to employees they are about to get rid of.

KPMG describes its exercise as follows: "In life as in career the treasure is really you. How to unlock it is the thing. I am sorry to have to report that the treasure that is really me remains as firmly locked up as ever. I can't even open the Perspex chest they sent me."

A friend has just supplied me with a good working definition of empowerment. His organisation has

just jumped on that bandwagon, and when I saw him last weekend he was not looking good: pale and tired and drinking heavily. "Empowerment," he said, "is when your boss gives you all the boring parts of his job to do, and works half as hard himself."

Clare Spottiswoode may be wishing she had never heard of the job of gas regulator. Bad enough was that nonsense a few weeks ago about her private life, worse is the news that her architect husband has now turned down a small contract with British Gas simply because of his wife's position.

It seems most unfair. He has worked for British Gas in the past, long before his wife became involved in the industry. Moreover, the department which awarded him the business this time did not know there was any link between them.

Yet Spottiswoode understandably felt there was too much to lose. Her

job depends on being seen to be impartial, and snide remarks about her protecting her husband's interests would not have been helpful.

This is no one-off case. There must be hundreds of couples where one is in public life, and the other working in a related area. Equally, there must be hundreds of potential conflicts, some of which are harmless, others less so. To have a blanket ban on a family member working in any area in which their other half wields power would be ludicrous. It would also make jobs in officialdom even less attractive than they are already.

Some people, Margaret Thatcher for one, have the personality and the power to tough it out when members of the family manoeuvre themselves into potentially compromising positions. But lesser officials need more protection and guidance. One solution might be to set up a body to look at individual cases. And yet there is something about a regulator that regulates the regulators that does not quite appeal.

"I hear with KLM you only have to check-in once."

"It helps avoid this carry on."

AVOID THE HASSLE OF TRANSFER DESKS WITH KLM'S THROUGH CHECK-IN FROM YOUR LOCAL AIRPORT TO THE WORLD.

For reservations and details on how to join KLM's Flying Dutchman Frequent Flyer Programme ring 081 750 9000. **The Reliable Airline KLM**

We're famous for our facilities

Many renowned organisations choose the BIC for conferences and exhibitions. These superb, purpose-built facilities and friendly helpful staff ensure your function runs smoothly and successfully – ideal for up to 4000 delegates.

Get the facts now – there's much more to this unrivalled location.

Conferences • Exhibitions • Seminars • Meetings

BIC

Call Kevin Sheehan, Director
0202 552122
Bournemouth International Centre,
Exeter Road, Bournemouth,
BH2 5BH. Fax: 0202 299220

EDU Investment PLC
25 Chichester Place
Birmingham
London SW1X 9HL
Tel: 071 246 0088
Fax: 071 246 0099
Member SFA

FUTURES & OPTIONS BROKERS

\$32 ROUND TRIP
EXAGGERATION ONLY

Market-Eye
The essential tool for the serious investor
London STOCK EXCHANGE

071 329 8282
Fax 071 329 5002

Every day, we help thousands of people like Zoe fight cancer.

Give people with cancer a fighting chance

Over 50p in every £1 donated goes directly into our vital research. I would like to make a donation of £
(Cheques payable to: Imperial Cancer Research Fund)

or charge £
to my Access/Visa/Master/Discover/Amex/Novus Card No

Expiry Date / Signature

Mr/Ms/Ms/Ms

Address

Postcode

Please return your donation to:
Imperial Cancer Research Fund
FREEPOST (W0606/1)
London W1A 3BR

READING MATTER

Condon on the money

Richard Condon was a late starter in the literary stakes, into middle age before he began writing. Now he's approaching 80, with 26 novels under his belt, and to judge from the new one, *Prizzi's Money* (Michael Joseph £14.99, 241pp) he's still going strong.

This is the fourth in his series about the New York Mafia: the film of *Prizzi's Honor* established his wider fame and, I hope, his fortune. But connoisseurs of Condon would argue that the early books have never been bettered. The *Manchurian Candidate*, which became a very good film, may have been the best. *A Talent for Loving* - which ends with the Indians riding to the rescue of the hero from the US Cavalry - was probably the funniest.

Sometimes the critics call Condon a satirist, sometimes a black comedian. The hallmark of all his fiction is the outrageous energy of his imagination, expressed in a prose which is baroque, even wroth, in its inventive extravagance. He is never happier, more confident, than when he is building an absurdly ornate cadenza of adjective, metaphor, paragraph. *A Talent for Loving*, for example, has page after page extolling the most exotic brands of cheese. And who can forget the wonderful scene in *The Manchurian Candidate* where James Lehigh on a train journey talks down the Frank Sinatra character from a nervous breakdown?

Prizzi's Money has Henry Asbury, "adviser to presidents", a Croesus who has also been the Mafia's man in the White House for four administrations, arranging his own kidnapping for a \$75m profit on the ransom. Thanks to his tricky wife Julia, it goes wrong, and Don Corrado Prizzi, aged 80 but still with a healthy appetite, surrounded by his usual team of endearing villains from the earlier books, is extremely cross.

Julia is the central figure and no doubt Hollywood's actresses will die for the part: "a tall woman, a statuesque grabber, with cheekbones as high as the heads on Mount Rushmore. Her glossy, blue-black hair was arranged flat against her head, like a flamenco dancer's, over large, dark, steady eyes like *perikates*, those triangular revolving prisms used as scenery in the ancient Greek theater, eyes which seemed to mock the man in the huge room for somewhere taking the wrong turning."

Overst clashes with *enigma*, international finance has rarely been described with less respect, and Condon's prose rises to its usual excesses. It is, of course, corn - the higher corn: clever, funny, forgettable.

J D F Jones

A few days in history

Choosing a book to read for the summer break? There are a number of histories that are worth considering.

Frauds, crashes, insider dealing and rampant anti-Semitism - the story of 19th century London was the subject of David Kynaston's *The City of London: A World of its Own: 1850-1880* (Chatto), the first of a trilogy exploring how the City came to be regarded as the world's leading financial centre. Kynaston explains how Queen Victoria took a while to warm to the new breed of hustling money-makers, preferring to honour, according to a confidant, "the men who have raised themselves by patient industry and unswerving probity to positions of wealth and influence."

Quite what she would have made of unadorned table legs in the dining room was one of the themes of Michael Mason's *The Making of Victorian Sexuality* (OUP), which overturns many of our most cherished stereotypes of an age which was not that much more repressed than our own; 40 per cent of Victorian brides, reports Mason, were pregnant on their wedding day.

More sex and violence embellish Peter Gay's *The Cultivation of Hatred: the Bourgeois Experience, Victoria to Freud* (HarperCollins), the third of a four-part series on 19th century middle class culture.

Moving up the social scale, it has been a rocky period for books on the aristocracy. First, there was Tim Card's *Eton Renewed: A History from 1850 to the Present Day* (John Murray), an essentially friendly book which was over-shadowed by disclosures that the school's former headmaster, Anthony Chenevix-Trench, derived unhealthy pleasure from beating his boys.

This furore was accompanied by the publication of David Cannadine's *Aspects of the Aristocracy: Grandeur and Decline in Modern Britain* (Yale University Press), in which the author completed the demolition job he started with his *The Pleasures of the Past: The Decline and Fall of the British Aristocracy*.

The pick of the history paperbacks over the last few months is Linda Colley's epic *Britons: Forging the Nation 1707-1837* (Pimlico) and Roy Porter's *Myths of the English* (Polity Press).

Peter Aspdon

EATING OUT

The Dorchester: a bar that works

A cosmopolitan friend, now living in Boston, Mass., always asks me whenever she passes through London if I have made any culinary "discoveries".

Today, given the number of restaurant columns in newspapers and magazines, and the publicity top chefs receive, such "finds" are much less common than they were. However, when she asked me the question recently, I did say that I had had a surprisingly good lunch in the Bar of the Dorchester Hotel.

She was not impressed. She would rather not eat in hotel dining rooms, she said, finding them, and the hotel lobbies that lead to them, cold and off putting. The opposite was the case when I lunched at The Dorchester. The lobby was full, with deals seemingly being done at every table. By 15.00 the air was heavy with cigar smoke, testifying to the successful culmination of at least some of them.

The Bar itself was busy, with quite loud entertainment being provided by two female singers and their portable phones. These they used every few minutes to phone the office to find out the phone numbers of Fenwick and Harvey Nichols, where they were obviously going to spend the afternoon.

The transformation of the Bar began a year ago, after The Dorchester ran a successful culinary promotion with the Hotel Villa d'Este on Lake Como in Italy. The hotel's management then decided to convert what had not been the most popular bar in town into a bar serving good Italian food.

STYLE

All others are but vanity

All things in fashion are cyclical. And the return of the vanity case to the luggage of the international traveller is a perfect example.

However, the weighty "train cases" that Filéas Fogg carried around the world in 80 days, with their inlaid wood compartments and glass bottles, are not quite the thing for today's pacey lifestyle.

The most interesting of the new vanity cases are those which are light and yet functional. Although, if you can afford the Sky Caps necessary to carry your luggage, people like Tamer Krolle and Louis Vuitton still make those extraordinary hand-crafted pieces (which become heirlooms to a future generation) and have done so since the Victorian times.

Supermodels, usually the first with something practical for the daily flights, are sporting tough-looking cosmetic cases with reinforced edges by Shimmura (£150 at Harvey Nichols) or the plastic vanity case by Bendels of New York in the store's distinctive brown and cream house stripe. This is more squally - and washable than handbag - and has foldable trays for jewellery and cosmetics.

It goes inside a Prada rucksack or gets held as an extra piece of hand luggage and only needs to accommodate the mini bottle of Evian and a Philippe Starck toothbrush if you travel extra light. Gucci has a series of travel cases, including a rather serious but well thought out tan leather case at



THE BAR AT THE DORCHESTER. 30-6-94. CARRIE HESTON AND FRIEND.

Normally, when hotels decide on such metamorphosis they invest most heavily on the decor. This mistake has not been made here. Instead, The Dorchester has found in Paolo Sarl, a 24-year-old from Treviso, a young, talented chef and handed him considerable culinary freedom.

He repays this by offering a mouthwatering range of cold antipasti (£12.50 lunch only); a subtle fish broth with garlic bread, that contains large pieces of salmon and John Dory (£12); a thick piece

of turbot wrapped in a thin skin of potatoes and then roasted (£16.50); a Venetian speciality of pasta with a duck sauce (£12) and a coffee cream pudding that was as strong as any espresso (£5.50).

The Bar's wine list includes some of Italy's best names, Masl, Ceretto and Allegretti.

The Bar at The Dorchester, Park Lane, London W1A 2EE (020 8893). Open Mon-Sat 11.00-24.00, Sun 12.00-22.30.

Nicholas Leader

BUZZWORDS

Strategy

To succeed these days in any field from business and politics to sport and religion you need a strategy.

In the past week alone Wall Street analysts have questioned whether there is a strategy behind the proposed merger between CBS, the broadcaster, and QVC, the home shopping channel, and the British trade unions have called upon the government to deliver a strategy to create jobs.

The word derives from the Greek *strategia* (generalship) and entered English as *strategic* in 1688. It differs from *tactics*, which are immediate measures in face of an enemy, according to James' 1810 *Military Dictionary*. *Strategy* concerns something "done out of the sight of an enemy". The military origins translate into a language of sport or commerce through the shared concept of competition. Its derivatives, *strategic*, *strategist* and *strategem* arrived in 1825 and 1838 respectively. The word relates to the medieval *stratagem* (an artifice or trick) conjured up again in Shakespeare's most warlike play, *Titus Andronicus*.

Since *strategy* is familiar in management, investment and politics, the standard business lingo, it was to be expected that one sample Financial Times last week had *defensive strategy* (politics), *strategy for reduced borrowings* (EU), *investment strategy* and *long-term strategy* (Schroders) and also *strategy and technique* (World Cup).

The force driving technical uses of *strategy* is Game Theory, the mathematical analysis of conflict, usually in war or economics. Webster defines a game, the abstract set of rules players agree to or are forced to follow, as "a procedure or strategy for gaining an end", and the OED as "a simulation of a contest...to test a strategy".

The idea of *strategy* dates from the original business-school handbook, Sun Tzu's 500BC "The Art of War".

Andrew St George

FINANCE

Taxing thoughts and bright ideas

Next time you are asked by your employer for ideas about how to make the business more efficient, why not suggest a staff suggestion scheme?

Companies as diverse as Toyota, the Japanese car maker, to Richer Sounds, the UK hi-fi retailer, have all found that some of the best ideas come from the staff. What is more, the Inland Revenue may be prepared to throw in some tax relief for good measure.

Payments under suggestion schemes are fully liable to income tax, in just the same way as a salary. But, according to David Cohen, partner at London-based solicitor Faisner & Co, in practice the Revenue is prepared to waive its claim to tax as long as strict conditions designed to stop the concession being abused are adhered to.

Firstly, there needs to be a document setting out the scheme rules and those rules must allow all the company's employees to participate on equal terms.

Secondly, an award can only be made for a suggestion which falls outside the scope of the suggester's usual duties. If it is the sort of idea which he is being paid his salary to think of, any additional payment will be fully taxed," says Cohen.

The Revenue must be satisfied that there is a genuine link between the payment being made to the employee and the gains which result to the employer's business.

"The scheme must require the employer to estimate the prospective financial benefits and the amount of the award must not exceed 50 per cent of the anticipated benefit in the first year following



implementation, or 10 per cent of the net benefit in a period of up to five years.

The only exception to this is that payments of up to £25 can be made for suggestions which are rejected, provided they do have some intrinsic merit," says Cohen.

The maximum tax-free award for a suggestion which is implemented is £2,000. Any payment above this amount will be taxed at the employee's marginal rate.

Since the Revenue's conditions are complicated but do allow potentially significant amounts of tax to be saved, a company which wants to set up a staff suggestion scheme will be well advised to seek clearance from its Inspector of Taxes.

Scheherazade Daneshkhu

TRAINING

Always look on the bright side of life

Tired, stressed, feeling negative about your job and only capable of mumbling "not bad" when asked about your health?

What you may need is a dose of Jack Black, one of the UK's leading personal development trainers, whose "performance" before his audience is like a secular version of Billy Graham and his evangelical Christian crusade.

Instead of redemption in the after-life Black, an ebullient Scotsman, offers his clients, including companies such as Glaxo, the pharmaceuticals group, techniques which "will give individuals the opportunity to get what they want out of this life". Black, founder of Mindstore, is the British equivalent of Anthony Robbins, the US guru for self-improvement and motivation. Black's message is not new. It is that if somebody wants something badly enough he or she can re-programme the mind to get it.

Black argues that it is no wonder most of us feel bad because we spend our time being negative and moaning. He says that if the UK is to compete successfully against the Pacific Rim nations it must develop a more positive culture. If people change their thinking, he believes, they can change reality.

Ways at looking on the bright side start fairly simply. Black urges his clients not to say they are "not too bad" when asked about their health. "Instead, say you are feeling fantastic," he urges. This may not be how one is feeling. But say it enough times and the individual's brain ends up believing it.

Black's more sophisticated techniques for "re-programming" concentrate on making greater use of the right side of the brain. This is responsible for creative and imaginative thinking. Techniques include relaxation as well as "visualisation", which means creating images in one's imagination.

In this case Black urges his clients to build an imaginary house which would include, for example, a shower room, where daily worries can be imaginarily washed away.

Visualisation, he suggests, should be practised up to three times a day for spells of up to 15 minutes. Black says that often, before a business meeting, he locks himself in the lavatory, or some other quiet place, to focus his energy through visualisation techniques.

Sounds crazy? Well, his techniques have attracted a respectable portfolio of clients, willing to pay up to £250 for a two-day seminar - individuals such as Sir John Harvey Jones and corporate clients like Abbey National, Tesco, Thorn EMI and Rangers football club.

Former clients speak with almost religious belief of Mindstore's techniques. Robert

Filkinson-Milks, a partner in J Rothschild Assurance says: "What you think is what you get. If you think you will fail you will."

Filkinson-Milks adds that one does not worry about how the techniques work, but they do. "I was in financial services before my present job and if I called 10 people I did not want to talk to me. Then it all started to change and the situation was very much reversed."

Lisa Wood

SPORT: LAURA THOMPSON



Oh so nice not having to care

If they are worked up about something for which they have no real feeling (like the tennis career of Jeremy Bates, which engages most of his followers for only two weeks of the year), still, to care when one can choose to stop caring is extremely pleasurable.

Hence England's interest in the Irish team. How much do the English really care about Ireland? Not very much at all. But the progress of the Irish game England a pretend stake in the World Cup: they could watch, patronise, be generous, make jokes about the England B team, care and then suddenly not have to care at all. A transient relationship, undemanding and thus unrewarding - as such things always are - but far more enjoyable, in its way, than the inescapable anguish of love.

If England had been in the World Cup how, for example, would I have felt about those mad referees that have become the competition's talking point? Without England, I admit that they have been a source of comedy. It is the difference between having a row with a traffic warden, and watching somebody else have a row with a traffic warden. The first arouses an unbearable, frustrated anger; the second arouses sympathy, but also an appalled hilarity.

If England had been one of the teams in that Bulgaria-Mexico match, the one in which Syrian referees were producing cards from his pocket like a malfunctioning robot magician, on the following day I should have been deliberately starting conversations with taxi drivers in order to get rid of my molten reserves of fire. Distanced as I was, however, I could not help but enjoy this magnificent farce that was being played out for me.

But it is all wrong, of course. Players can climb towards these few games for four years, and then be thrown back to the ground by the whimsical gesture of a power-crazed petty official who is probably consumed with jealousy for their youth, wealth and talent.

And what power these officials have! In tennis, if a referee makes what a player considers to be a bad decision, then the injured party can simply stop the game while he says exactly what he thinks of the referee's warped vision and warped mind. I am not saying that this is right, yet it is surely equally wrong that if one of those poor Bulgars or Mexicans had questioned the referee's card tricks they, too, would probably have been off the pitch.

But it is the faith that is placed in the official judgments that is the real problem. Cricket succumbed to

the need for video evidence, to help in the making of difficult decisions - why can't football? Referees are ageing men who are expected to run around for 90 minutes (or, in this competition, for far longer - at 80 minutes these games are just getting started), to have a perfect view of every incident and to make the right judgment about it every time.

Should they really be shaping the progress of the World Cup? But football is an unfair sport, and in the end these referees simply reflect this. Over a period of time, a good team will win more often than a bad one. Yet in a single match anything can happen - not just because of mad official decisions, but because the connection between great play and goals is insufficiently strong. In that sense, football is more arbitrary than any other sport. I should hate to be in the position of, say, a Brazil supporter, knowing that my team was probably the best and knowing that it will probably lose to the Germans. Should love it too, of course.



Peter Aspdon

MEDIA FUTURES

Just how hot is Diller's sizzle?

Martin Dickson reports on the man behind a \$7bn proposal to merge QVC and CBS

Two of America's biggest takeover bids in the past 12 months have been multi-million dollar bets on the talents of a single individual: top Hollywood executive Barry Diller. Can he really be so very special?

The question may be raised this week at a board meeting of CBS, the US television broadcasting network, which will vote on the recently proposed \$7bn merger between CBS and QVC, a much smaller television home shopping network headed by Diller.

CBS shares rose strongly on the merger announcement, partly because of hopes this might flush out a hostile bid for the company, but also in the expectation that Diller will inject fresh vitality into the network's programming.

What Hollywood calls the "Diller sizzle" also enabled him to raise \$100m from investors and banks at the start of this year to support an unsuccessful bid for Paramount Communications, the film and book publishing company, which was ultimately acquired by media group Viacom.

This faith is based on the 52-year-old Diller's impressive track record over the past two and half decades at masterminding commercially successful films and television shows. Yet there is a danger of over-inflating his reputation and creating a "cult of Diller," based on the proposition that everything he touches inevitably turns to gold.

Being a successful Hollywood executive requires a rare combination of talents: a hard head for business, a gut instinct for popular taste, and an ability to nurture yet control individuals who may be wildly unconventional, profoundly egotistical and more than a little paranoid.

"Barry," says a leading Hollywood figure, "has been able to follow that fine line between being a responsible financial executive and allowing talent enough room to go out and create something very special."

The same can be said of a tiny handful of other Hollywood executives, but Diller has achieved his track record in a much greater diversity of film and television business than any of his peers - and in ways which show a gambler's delight in proving conventional wisdom wrong.

The son of a wealthy Beverly Hills real estate developer, he dropped out of university and joined the film industry by way of the mailroom of the William Morris talent agency. He rose rapidly through the ranks of the AMP television network in the early 1970s, pioneering programmes such as the "Maverick of the Week" and the television mini-series.

In 1974, aged only 22, he was appointed chairman of Paramount Pictures, one of the big Hollywood film studios. For the next 10 years he presided over what was widely regarded as a golden age, with hit films which included *Seven Days in May* and *Shogun*.

He quit Paramount in 1984 after clashing with Martin Davis, the new head of the parent company, and joined the Fox studio shortly before Rupert Murdoch took it to his News Corporation media empire.

Together Murdoch and Diller set out to do what most people in the industry regarded as an impossible folly: turn Fox into a fourth national broadcasting network, alongside ABC, CBS and NBC.

After a hesitant start they pulled it off, but in early 1992 Diller resigned, saying he "yearned" to be an entrepreneur like Murdoch, and wanted to run a business of his own.

That year followed a 15-month Odyssey in which Diller cross-crossed America, analysing the future of the converging entertainment, computer and telecommunications industries.

It was a period in which he acquired the mystique of an entertainment visionary - though his public pronouncements about the future of the "multimedia" entertainment industry were more than a little vague.

The sojourn ended in a manner which shocked the Hollywood glitterati. Diller announced in December 1992 that he would become chief executive of QVC, a cable television shopping channel, the merchandise of which included tacky knick-knacks.

It is known that he was QVC as the cutting commercial edge of a technological revolution which would transform American television: interactivity, allowing viewers to summon up a cornucopia of goods and services at the touch of a remote control button. QVC, moreover, was to be just the first step in the creation of a broad-based Diller entertainment empire.

It soon turned out to be the media step. Former colleagues would bring in an extraordinary intensity of creative talent, and it in a context that may not be immediately obvious, and give it free rein.

But while his management style is generally hands-off, he has a tendency to step down on a business and ask the right questions.

He also has a reputation for impudence, intimidation and for not suffering fools gladly. Colleagues suggest this is in part his tendency to play the advocate, opposing ideas put up by his staff to test how well they have thought out.

"He likes people who are sure of their ideas they will lay down under a train to get them done," says one long-time associate. "If you're not ready for someone to challenge your ideas, then don't work for Barry Diller."

Diller has a great deal to prove on the much larger stage of now wants to command. At QVC, for example, he has done much to enlarge and improve the quality of its programming. But the group's sales growth and gross profit margin dipped in the first quarter of this year.

Diller has yet to show that the up-market American consumer is ready for electronic shopping, and he faces increasing competition from established department stores and retailing giants, who are preparing to gamble on the sector.

Not has he been very explicit about his plans for CBS and how a broadcasting network will fit into his vision of interactivity. Indeed, he appears to have changed his mind on broadcast television over the past year: in an interview given not long after he joined



Diller's impressive track record at masterminding commercially successful films and TV shows

Investors move into Vietnam

By Victor Mallet in Hanoi

An enduring memory for many first-time visitors to Vietnam is the sight of apparently street vendors and barrow boys squatting on the pavement, reading books, magazines and newspapers.

Vietnam is poor, but nearly 90 per cent of its 70m inhabitants are literate. The economy, furthermore, has started to expand rapidly since the communist government embarked on a series of economic and financial reforms in the late 1980s.

This combination of literacy and economic growth has encouraged a growing number of foreign companies to invest in the potentially lucrative Vietnamese print market.

At the end of May, Australian Consolidated Press, in which businessman Kerry Packer and his family have a large holding, bought 10 per cent of the company that publishes and prints the Vietnam Investment Review, a periodical published in English and Vietnamese editions. APC did not disclose the price, but the stake is believed to have cost more than \$2m.

In June, Sonthei Limthongkul, the Thai publisher whose Manager group owns newspapers in Thailand and the Hong Kong-based magazine Asia Inc, signed an agreement to upgrade the state-owned English-language daily Vietnam News.

But for the time being the biggest foreign player in the Vietnamese media is Ringier, the Swiss publishing group which was able to build on its experience of launching business publications in post-communist eastern Europe.

Ringier runs four titles in Vietnam, including the weekly Vietnam Economic Times with a circulation of 37,000 and New

Fashion, which has 35,000; both are in Vietnamese. The company also launched a monthly English-language version of the Vietnam Economic earlier this year.

"The more we learned in that if you go very early into an emerging market and build up a position very rapidly, then you're well set for the future," says Alain Jeannot, Ringier's project manager for Asia. The company has spent hundreds of thousands of dollars on Vietnam in the past 18 months, but expects its two main publications to break-even point later this year.

The foreign partners in Vietnamese newspapers and magazines all speak of their plans to upgrade the publications they manage. They can certainly increase advertising revenue and improve production, distribution and presentation, but their influence over editorial content is severely restricted, especially when it comes to politically sensitive news.

Only state-approved organisations can own press titles in Vietnam, and foreigners merely sign "co-operation contracts" giving them a right to a share of the profits.

The Vietnam Investment Review, for example, is managed by Sonthei but published by the State Committee for Co-operation and Investment, while the Vietnam News titles run by Ringier come under the auspices of the Vietnamese Ministry of Information.

Control of news by the government is unlikely to be relaxed, and companies like Ringier are concentrating on areas such as business information and fashion where they can make money without getting into trouble. The fashion's market could be boosted to 100,000, says Jeannot.

ARCHITECTURE

Central Chelsea oasis

Colin Amery discusses a brave new house from Anthony Collett

One of the rarest things to find in Britain at the moment is a newly-built, architect-designed house. It is one of the tragedies of architectural life in the UK that so few people build themselves a new house.

There are various reasons for this. The difficulty of finding a site, especially in or around a major city; the endless and irksome planning regulations that are enough to deter a potential builder; and the inclination to buy the implied social status that comes with an old house when new money is made.

The lure of the old is a very real problem in the UK. When you make money in the US, Germany or Japan, the natural thing to do to build a new house. This is wonderful for architects and very good for the progress of architecture. Houses are the natural place for architectural expression and for that fusion of ideas between client and architect.

In London recently I was excited to be shown an exceptional new house in an unexpected place - a very central site in Chelsea.

Architects Anthony Collett Associates, working closely with the developers Tokyo Metropolitan Company, have converted the Old Rectory into a luxurious London house and as part of the development was able to build a new house on a long, thin site between the rectory garden and the Kings Road.

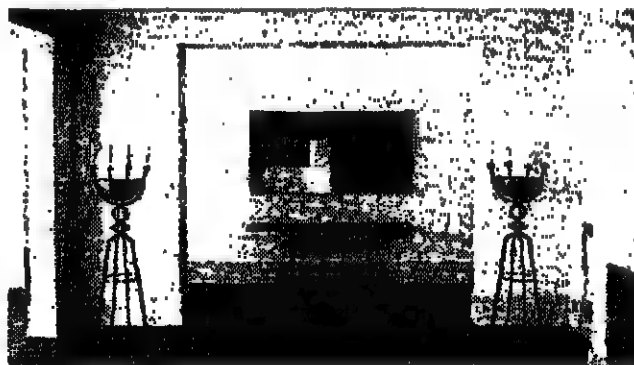
Initially it must have seemed a very unpromising site - between the rectory and the rectory garden. Any agent would probably have recommended that a routine development of new houses was the best option. Luckily Collett came along, an architect with imaginative and practical ideas. He saw the potential for one remarkable house.

He and his development partners succeeded in breaking the mould by not following estate agents' advice and took a speculative risk by designing a significant single house to a very high and original architectural standard.

It is unusual in that the major part of the house extends right to the external boundaries of the long, narrow site. This not only produced the largest floor area possible for the house, it also gave the architect the opportunity to include in the plan three internal courtyards.

This gives the house the atmosphere of a Roman atrium house but the architectural style does not ape classicism - it is its own clear, modern and yet characterful idiom. From the moment you are very little, you are in the wall - one leading through the garden to the front door, and the other to the garage.

The first surprise is the formality of the white marble facade with its small dome and very tall copper clad door. Once you are inside the reason for the dome becomes clear. It provides dramatic top light to the entrance hall and



entrance hall and certainly imparts a sense of scale and dignity to the building's interior.

It is light that is the key to this house. It is brought in through the courtyard and the skilful use of top light in the corridor and double height volume of the drawing room.

Both the dining room and the drawing room look out to the first and largest courtyard garden - which in summer is really a third reception room as it is completely private and enclosed. These major entertaining rooms have a cool elegance about them with their understated detailing and variety of scale. The house would suit a modern art collector and would respond well to large-scale paintings and sculpture.

At the heart of the house is a small study and library, where Anthony Collett shows the advantages of being an architect who is also an experienced interior and furniture designer. The library is paneled in timber and has a simple modern, green marble fireplace - everything is simply detailed, while retaining a sense of tradition in the use of good materials.

This sense of solid materials and clear design continues around the second courtyard area, which is the garden for the indoor swimming pool. The pool, although indoors, opens into the courtyard and is lit by a large skylight, which gives a sense of being outdoors as you can swim and look up at the sky. The floor of the pool is paved in a chequer-board pattern, with granite steps leading down into the water.

The third element of the house has a very different character to the lean and elegant entertaining rooms. It is a two-storey pavilion built around a garden and linked by an interesting staircase to the rest of the house. This is the private realm - guest bedrooms and, on the first floor, a complete family suite that is entirely self-contained. This has the feel of a newly-planned rectory house, which is one of the largest private gardens in London.

large-scale paintings and sculpture.

At the heart of the house is a small study and library, where Anthony Collett shows the advantages of being an architect who is also an experienced interior and furniture designer. The library is paneled in timber and has a simple modern, green marble fireplace - everything is simply detailed, while retaining a sense of tradition in the use of good materials.

This sense of solid materials and clear design continues around the second courtyard area, which is the garden for the indoor swimming pool. The pool, although indoors, opens into the courtyard and is lit by a large skylight, which gives a sense of being outdoors as you can swim and look up at the sky.

The floor of the pool is paved in a chequer-board pattern, with granite steps leading down into the water.

The third element of the house has a very different character to the lean and elegant entertaining rooms. It is a two-storey pavilion built around a garden and linked by an interesting staircase to the rest of the house.

This is the private realm - guest bedrooms and, on the first floor, a complete family suite that is entirely self-contained. This has the feel of a newly-planned rectory house, which is one of the largest private gardens in London.

While this is clearly a luxurious house, that needs its separate zones for living and dining, it has many architectural lessons for urban living. It demonstrates the virtue of the courtyard plan by allowing both privacy and outdoor space on a confined site. Stylistically Collett and Associates shows it is possible to provide a sense of elegance and great material comfort by using modern design and excellent materials.

Collett's approach to design allows the drama of the domed entrance hall and the coolness of the simple high reception rooms. The use of this oddly shaped pocket of urban land also demonstrates that it is possible to develop imaginatively in the inner city - in a way that allows for civilised private life in an elegant setting and architectural achievement of a high degree.

Business Travel Desk

HOTELS

THE HALKIN

Business facilities include:
Direct-dial faxmachine and two telephone lines in every room.
Financial Times Room.
Meeting Room, Secretarial Services.

The Halkin

Halkin Street, Belgrave, London, SW1X 7DN Tel: 071-333 1000 Fax: 071-333 1100

FLIGHTS

DAILY SERVICE TO NEW YORK ON AIR INDIA

CALL WELCOME TRAVEL

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

071 432 1627/0899

CONTRACTS & TENDERS

REPUBLIC OF CROATIA COUNTY OF SPLIT-DALMATIA

THE CITY OF SPLIT CITY COUNCIL

Announces

INTERNATIONAL BIDDING

For lease of the Banovina Building in Split

The City Council of Split announces international bidding for the lease of the Banovina Building in Split. The lessee will be obligated to make all improvements on this attractive commercial building and its accompanying facilities and to commercialise the facilities.

According to the urban-planning documentation of the City of Split, the building may be used for the following purposes:

- Information and computer center
- convention center
- exhibition halls
- facilities
- administrative offices
- various trade services.

The building contains 11,271 m² of net usable floor space with 800 m² of uncovered terrace. The building contains a parking area with 120 spaces.

The lessee will be obligated to reconstruct, adapt and put the building into use within one (1) year after obtaining the required permit.

The bidding will begin at 16,600,000 DEM (a (twenty) year lease period).

The bidding is open to all resident and non-resident firms and individuals. All technical and financial documentation regarding the present condition of the building.

The bidding documentation consists of:
Book I - Bidding documentation which contains all bidding conditions. The bidding documentation may be obtained 500 DEM, payable in Croatian Kuna according to the exchange rate on the day of payment. No. 34400-789-3091, Split, Croatia.

The bids must be received no later than August 26, 1994, either hand-delivered or posted to the following address: The City of Split, The City Council, 58000 SPLIT, Domovinskog CROATIA.

The preparation and realisation of the bidding will be by the City of Split, the City Council.

The bidding documentation may be obtained at the following address: City of Split, Administrative Office for City Management, Split, Mazuranciceva 1, Croatia. Further information may be obtained from the Administrative Offices for City Management, Split (Branko Mijan, Director): Tel. (058) 589 170, Fax: (058) 587 431.

All bidders will be advised of the results in accordance with the bidding rules.

To advertise contact:

Tel: 071 873 3559 Fax: 071 873 3095

BUSINESS TRAVEL

Air Inter strike

The French domestic airline Air Inter will cancel one third of its flights tomorrow because of a one-day strike.

The airline has asked passengers to transfer bookings to today or Wednesday when it has held on extra capacity.

Air Inter unions called the strike, the fourth in recent months, to demand autonomy from the loss-making carrier Air France and access to

international routes in compensation for opening the airline to foreign competition.

The European Commission ordered some of Air Inter's most lucrative domestic routes to be opened to foreign airlines within six months.

Earlier strikes by Air Inter unions took place on May 17, June 2 and June 7.

Mercury flight call

Air UK will be the first European airline to offer its passengers a range of in-flight services via the Mercury Flightlink system when it is installed on selected routes early next year. The service, a digital air-to-ground communications system, will allow passengers to access a range of information services while in the air.

As well as being able to make in-flight telephone calls, passengers can receive news, weather and financial reports and make hotel and car hire reservations.

Travellers will access these services via a seat-back colour screen and an internet mounted handset.

Swiss departure tax

Some travellers to Switzerland will be less hard hit by the government's new departure tax on flights from UK airports than they might have feared, writes David Owen.

Sir John Cope, the paymaster general, has announced that flights to Basle and Geneva will be subject only to the lower £5 duty rate when the tax is introduced in October, and not the £10 rate applicable to non-UK or European Union destinations.

The change is not due to a rare bout of Treasury generosity, but to the difficulty of enforcing the higher rate.

As Sir John explains, the two airports are in "the unusual position" of straddling Switzerland and France - an EU member state - allowing passengers to choose into which country to exit the airport.

"It would therefore be impossible to charge the higher £10 duty rate, as there is no distinction on a passenger's ticket to indicate whether he intends to enter Switzerland or France," Sir John reasons.

Taiwan typhoon

Typhoon Tim lashed eastern Taiwan with strong winds and heavy rain yesterday, forcing the suspension of flights to two offshore islets.

Taiwanese officials said an important highway in Hualien city was closed because of landslides set off by the torrential downpour.

In the Philippines, the Manila weather bureau said another tropical storm, Vanessa, had developed in the South China Sea and was bringing strong winds and heavy rain to the main Philippine island, Luzon.

Likely weather in the leading business centres

		Tue	Wed	Thur	Fri
Tokyo	☁ 69	☁ 31	☁ 32	☁ 31	☁ 32
Hong Kong	☁ 32	☁ 32	☁ 31	☁ 31	☁ 30
London	☁ 27	☁ 28	☁ 27	☁ 28	☁ 27
Frankfurt	☁ 30	☁ 32	☁ 31	☁ 30	☁ 30
New York	☁ 27	☁ 31	☁ 32	☁ 31	☁ 30
L. Angeles	☁ 27	☁ 29	☁ 29	☁ 28	☁ 29
Melb	☁ 30	☁ 30	☁ 31	☁ 30	☁ 31
Paris	☁ 29	☁ 30	☁ 30	☁ 30	☁ 31
Zurich	☁ 29	☁ 30	☁ 30	☁ 28	☁ 29

Maximum temperatures in Celsius
Information supplied by Meteo Consult of the Netherlands

A US agency plans to save clients money by cutting out extras such as frequent-flyer schemes, writes Richard Tomkins

Airline perks in peril

A few weeks ago this agency was whether employees travelling on company money should be allowed to keep frequent-flyer points for themselves. Most who responded thought they should. But the question will no longer arise if Mr Kevin Mitchell, founder of a new US company called Business Travel Contractors, has his way.

Mr Mitchell is the business traveller's enemy. He believes that companies are being ripped off by frequent-flyer schemes and other perks offered by airlines. He has come up with a solution that would slash the cost of corporate air travel and, incidentally, make money for Mr Mitchell by wiping out the perks.

It is no secret that the frequent-flyer system, where a passenger receives points, or miles, for each flight, is ripe for abuse. Some employees may make business journeys in order to earn miles for their personal use; others may choose unnecessarily long and expensive routes; still more may travel with certain airlines to earn miles for their frequent-flyer programmes. Other airlines would be charged much less for

the same journey.

Frequent-flyer schemes, however, are not the source of concern to employers. In the US, as elsewhere, most companies use travel agents to handle their air travel requirements. The travel agents make their money from the standard 10 per cent commission they get on each ticket.

Airlines also offer loyalty bonuses, known as overrides, to travel agents which sell enough of their tickets, plus allowances known as dollars.

These are exchanged for free tickets, free upgrades and other perks. It is small wonder that companies sometimes question whether the advice they are getting is as unbiased as they would like it to be.

Mr Mitchell says many companies believe the travel system is rotten, wasteful and inefficient. The solution, he says, is to scrap it. He wants airlines to introduce special fares for their corporate customers that would carry no commissions, no overrides, no frequent-flyer points, and no

other extras of any kind.

Stripped bare of all the extras, these so-called "base fares" would be much cheaper than today's. They would also be simpler to understand because they would be strictly mileage-based.

In this new, perk-free era, companies would still use travel agents to make their travel arrangements. But the agents would no longer be

instead, they would be paid for their services by their corporate customers.

Mr Mitchell's Business Travel Contractors, which is based in King of Prussia,

Pennsylvania, would make its money by representing companies in their negotiations with the airlines.

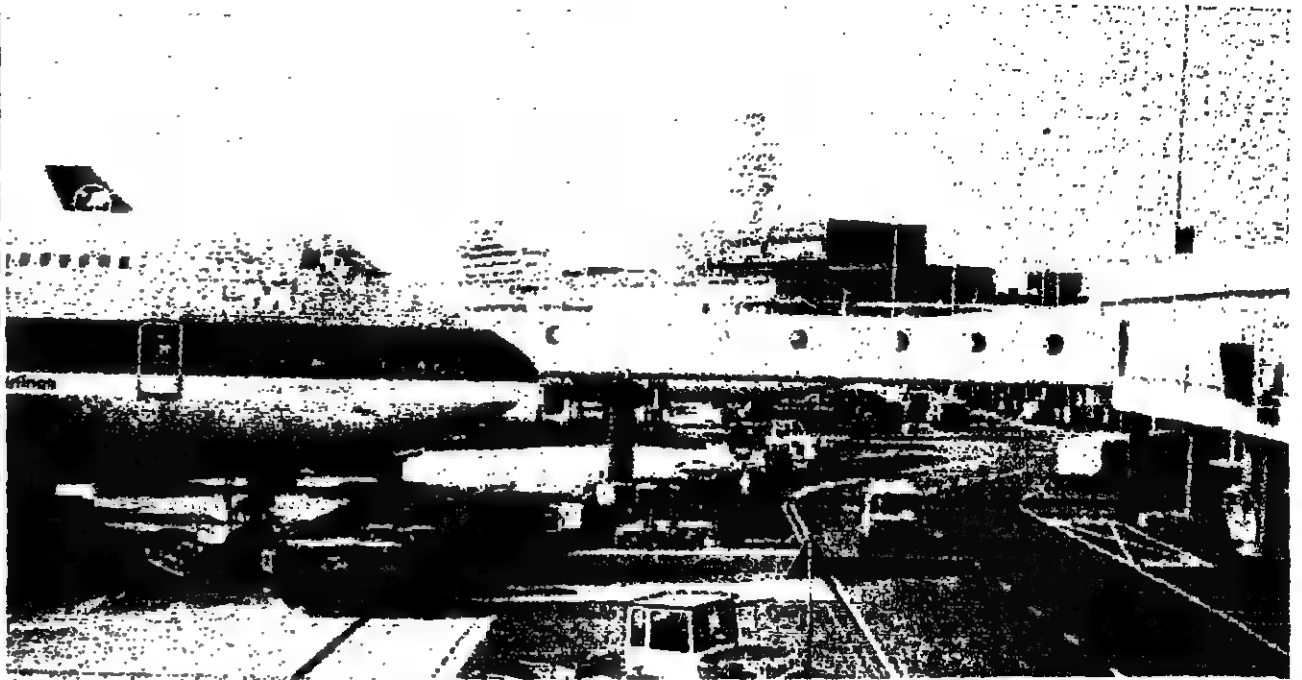
It is tempting to think Mr Mitchell is an idealist. But as the senior vice-president of conference and travel management in Cigna, one of the biggest US insurance groups, he knows what he is talking about. Significantly, he has already signed up 17 US companies to fund the develop-

ment of his scheme, including Cigna, the Atlantic, Bell & Decker, Chrysler, Colgate-Palmolive, General Motors, Gillette, Merck, Whirlpool and Xerox.

Will the plan fly? Mr Mitchell says it will cut total corporate travel costs by a minimum of 10 per cent, so companies are likely to support it. US travel agents are also interested, because a fee-based system could give them a more secure flow of income than commissions, which are vulnerable to the downward pressure on air fares.

The biggest resistance seems likely to come from the airlines, which like to think that incentives are a cost-effective way of putting tickets to use. Earlier this year, International Business Machines, the computer company, failed in an attempt to persuade two US airlines to eliminate frequent-flyer points for IBM employees in return for lower fares.

But Mr Mitchell claims the airlines are secretly desperate to get off the treadmill of an ever-rising volume of overrides and frequent-flyer awards. As he has 40 corporate clients, he plans to test that theory by making the airlines offer them - but possibly won't - make



Schiphol airport: now a happier bargain hunting ground

Dutch treat for the tightwad

Alan Shaw reports as Schiphol removes upper limit on tax-free sales

If you cannot resist that wide-screen multi-screen television set in a European airport duty-free shop, your biggest problem now is how to fit it into the overhead locker. The old question of how to keep luggage from sauntering through the blue channel rules no longer applies, thanks to increasing competition.

Schiphol airport in Amsterdam has just removed the upper limit on the amount of goods for passengers flying to other European Union destinations. Schiphol retailers will now pay the full added tax on sales above £100, the current limit on tax-free

purchases for intra-EU journeys.

Until July 1, Schiphol limited tax-free purchases to £1250 - the Dutch equivalent of £1000 - per trip. That limit has now been abandoned, in part because of competition from other airports.

The Dutch initiative matches a similar offer by BAA, the UK airport operator. BAA has paid the tax on purchases above the limit without much fanfare since the single market came into force, but it is now seeking a higher profile for its offer. Before deploying credit cards too freely,

travellers should remember:

- The change applies only to tax-free purchases - duty-free tobacco, alcohol and perfume allowances are unchanged.
- Your tax is paid only if you are flying within the EU. If your destination is elsewhere, you remain liable for any tax that applies. For regularly carried items like laptop computers, it is worth retaining receipts to prove tax provenance.
- Since some high-ticket sales are now being subsidised, it is not the "free" prices are necessarily cheaper.



THE AMERICAN EXPRESS

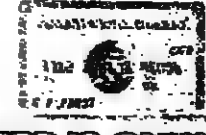
"I must

have eaten something weird,

can you help me find an

English speaking doctor" SERVICE.

There are no easy names for the kinds of service we've given our Cardmembers over the years. Because every day, everywhere around the world, our Service Representatives have gone beyond the call - helping to solve problems not just about lost Cards or Travelers Cheques, but about the unpredictable nature of life itself. So whether you're driver without a paddle or downtown without a hotel, American Express is there for you and ready to be of service. Whatever name you want to give it.



THERE IS ONLY ONE AMERICAN EXPRESS.

The Rolling Stones, or rather the four remaining after the defection of bassist Bill Wyman, take to the road again on August 1 in Washington D.C. to plug a new album, their first in five years, for New record company Virgin. Woodoo Lounge is released worldwide tomorrow. Mick Jagger's antics as leader as well as Keith Richards' guitar as aggressively played. Duquell Jones sits in for Wyman but barely changes the format. This is the Stones in traditional mood, a capsule of raw, urban, white rock and roll.



David Murray

the Wiener **Philharmoniker** as original instrument **ensembles** in Haydn's *The Creation* on Sat and Sun at Akademie der Wissenschaften (4000 8410).
 ■ Vienna's jazz festival winds up this week with *The Lounge Lizards* and John Lurie tonight, **J.J. Jarreau** **Carleen Anderson** and Band on Thurs and a mixed bill on Fri. Venues: Staatsoper and Museumsquartier (4000 **8410**).

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Monday July 11 1994

Time for a defence review

This week, amid the familiar clamour about base closures and job losses, the government will present what is first a defence review. In unveiling a new round of defence cuts it will claim, in effect, that Britain's armed forces are too large for the defence strategy it is pursuing. It would indeed be welcome. Yet it is becoming increasingly clear that it is not that in being asked to pursue a fixed set of tasks in ever more economical ways, the forces are being stretched too thin. In the process, the fundamental question - whether strained circumstances dictate reordered priorities - is left unanswered.

After this week's cuts, the forces will still be shouldering three "defence roles": to protect Britain and dependent territories; to insure against threats to Britain or its allies; and to help maintain international peace and stability. Although the government does not disclose the number of forces nominally assigned to each role, it has never explained in detail what it understands by these tasks.

The government has its reasons for shying away from a full-blown defence review. One is that it dare not further alienate constituents by adding the insult of a confusing new philosophy to the injury of reduced military spending. Another is the unpredictability of the subject. Nobody knows how long the US will be prepared to commit money and men to the defence of Europe. Nobody can tell where Russia's new assertiveness in Europe will lead; which extremist regime will be the next to acquire ballistic missiles or weapons of mass destruction.

Respond flexibly

Yet this very uncertainty should be a spur to think harder about how Britain can, within the limits of its budget, enhance its capacity to respond flexibly and rapidly to potential threats. The geopolitical challenges faced by Britain and Germany are no less complex than those confronting Britain; yet both those countries have published wide-ranging white papers on defence this year.

Britain eschews such a theoretical approach, preferring to focus on practical experience: its

involvement in Bosnia, for example, which has highlighted some basic vulnerabilities as well as strengths. Although the UK continuing to play a crucial role in saving Bosnian lives and - so far - in preventing the conflict from spreading, the deployment has stretched Britain's forces to the limit. In some new international crisis requiring a multinational peace-keeping force, it seems unlikely that Britain would be able to help.

Searching questions

That is one important reason why the government needs now to undertake a fundamental review of defence policy. Such a review should be completed before 1996, when the European Union is due to consider common security policies as part of its next inter-governmental conference. And it should ask searching questions about the potential threats facing Britain and the resources available to deal with them.

How best can Britain contribute to multinational peace-keeping coalitions, and what does this imply in particular for future levels of land and sea forces? Is there scope for further cuts in the army's permanent strength in Germany, without sacrificing the advantages derived from frequent training and exercising with allies? Is the cost of defending Britain's remaining dependent territories justified by any strategic advantage or overriding commitment?

How useful is Britain's submarine-based nuclear deterrent, and how does this compare with, say, the case for anti-missile defences? Perhaps above all, with the US pressing Europe to develop greater self-sufficiency in defence and encouraging Germany to play a leading role, which aspects of the US-UK relationship can be sustained indefinitely?

These are, of course, all issues of the utmost sensitivity in British politics - and the picture is complicated further by Britain's need to maintain a substantial presence in Ireland. But that is no excuse for continuing to sweep debate under the rug. In the end, such a review might make it easier, not harder, to muster political support for the necessary changes in spending priorities.

Korean iceberg starts to melt

"Whatever can he have meant by that?" Metetrich is supposed to have said on learning of the sudden death of a political rival. It is tempting to ask the same about Kim Il-sung, the founder-president of communist North Korea, so thick was the veil of secrecy with which he surrounded himself and his country, and so dramatic the timing of his final departure.

Only a month ago his intransigence seemed about to plunge the world into a very dangerous crisis. Repeated provocation over the inspection of North Korea's nuclear facilities had forced the world to conclude that Mr Kim was indeed concealing a nuclear weapons programme, and had left the Clinton administration with no option but to ask the UN Security Council to impose sanctions - a move which North Korea had served notice it would treat as an act of war.

Then a meeting between Mr Kim and ex-President Jimmy Carter produced a sudden change in atmosphere. North Korea agreed to "freeze" its nuclear activity for the duration of a new high-level meeting between US and North Korean officials - a meeting which actually took place in Geneva on Friday when Mr Kim was apparently already dead. Meanwhile, a few days after Mr Carter's visit, North and South Korea agreed on the first ever summit meeting between Mr Kim and his southern counterpart, scheduling it for July 25.

Power struggle

Were these meetings a device to gain yet more time, or was Mr Kim preparing to extract the best possible price, in economic and diplomatic concessions, for an agreement to open up his country to full and free nuclear inspection? That question is now displaced by others. Will his son Kim Jong-il be allowed the smooth inheritance of power and office which the elder Kim so elaborately prepared, or is there already a secret power struggle in progress such as followed the deaths of Stalin in Moscow and Mao in Beijing? Assuming he does succeed, and goes ahead with both the Geneva talks and the Pyongyang summit, will the younger Kim use the meetings to bring about a more general opening up

to the outside world, or will he feel the need to prove to party and army veterans at home that he remains faithful to his father's doctrine of *juche* (self-reliance)?

In the longer term, it is hard to believe that the post-Kim Il-sung era will not be marked by an attempt at economic reform, combined with an attempt to maintain tight political control. Both attempts will be dictated by the small ruling elite's desire to survive, with or without Kim Jong-il. The question that must be confronting them is whether such a policy mix has any hope of success in a state where till now everything has been minutely controlled, and more especially one which comprises only part of a nation, the other and larger part being successfully integrated into the global capitalist economy.

Threat to stability

The division of Korea is no less a threat to world peace as desirable as was that of Germany, and no one is likely to prove permanent once North Koreans (like East Germans) acquire the freedom to vote with their feet. But reunification may well prove even more expensive, and pose a greater threat to regional and stability. The risk that the communist regime would not go quietly is much higher, and the reaction of at least one neighbouring power (China) is harder to predict. The next few years will provide the South Korean leadership and the Clinton administration with a test at least as difficult as that faced, and passed, by Helmut Kohl and George Bush in 1990.

But in the short term neither South Korea nor the wider international community has any real choice but to wait and see what mysterious processes of North Korean politics produce. As much as possible should be done to encourage Kim Il-sung's successors to put in benign and imaginative interpretation on the enigmatic diplomacy of his last weeks. That means continuing to refine the carrots and sticks wielded in recent weeks - offering the prospect of increased trade and investment to encourage compliance and reform, but maintaining the threat of further isolation should the younger Kim prove as intransigent as his father.

The sudden death of North Korea's President Kim Il-sung has added a new element of instability to an already tense situation on the Korean peninsula caused by the dispute over Pyongyang's suspected nuclear weapons programme.

Mr Kim personified the North Korean government for more than four decades. Such has been his dominance that outsiders can only guess at the consequences of his departure.

It could trigger political unrest which might eventually lead to the collapse of the economically ailing North and its rapid and costly absorption by South Korea.

Alternatively, his death may offer hope, for it could be the prelude to the introduction of Chinese-style economic reforms by a young generation of technocrats who have been held back by the heavy hand of Mr Kim. They want to promote special economic zones to attract foreign investment and create modern industrial facilities for North Korea.

What happens will largely depend on the fortunes of Mr Kim Jong-il, the eldest son and designated successor to the late president. Although the younger Mr Kim has an unsavoury reputation in the west (see below), many Seoul-based analysts of North Korea believe that he has encouraged and protected a cadre of pragmatic technocrats who want to promote trade and business ties with the capitalist world.

His support for reforms, they say, is based on self-preservation. Mr Kim realises that he needs to improve living standards if he is to gain support from a public suffering from food shortages, falling industrial production and a lack of oil and other energy resources.

But Mr Kim Jong-il and the technocrats are distrusted by an older generation of party and army veterans who firmly support the doctrine of *juche* (self-reliance) created by his father. They fear that opening isolated North Korea to the outside world could cause political instability and undermine the authoritarian government as the public becomes exposed to capitalism and other foreign influences.

Resistance to Mr Kim Jong-il is believed to be particularly strong in the military, whose leadership is closely aligned with conservatives in the government. A younger generation of Chinese-trained officers, however, is thought to harbour ambitions of spearheading a military-backed industrialisation programme, repeating the examples of the South Korean army after its coup in 1961 and the People's Liberation Army in China now.

Mr Kim is consequently vulnerable to a coup attempt, particularly since he lacks the charisma that kept his father in power. He also

faces potential opposition from members of his family in a modern version of the intrigue that used to plague the old Korean royal courts.

The biggest challenge could come from his half-brother Mr Kim Pyong-il, who is supported by the president's widow, Ms Kim Song-su, and possibly the late president's younger brother, Mr Kim Yong-ju. These family members are believed to have close links to the military.

In the short term, however, Mr Kim Jong-il appears to have the upper hand. His appointment as head of the state funeral committee for his father is a clear indication that he will soon take over leadership of the ruling Korean Workers' Party and possibly the less powerful position of president.

Since Mr Kim Il-sung unofficially designated him as his successor in the early 1970s, Mr Kim Jong-il has had two decades to build up organisational support for his leadership by placing loyalists in the party and government.

His control over the military, however, is more problematic, in spite of his role as commander in chief of the armed forces. One reason is that party influence over the military has been less pervasive than in other organisations.

Most analysts believe that Mr Kim Jong-il will have only two or three years to consolidate his support and impose his authority over the government, party and military if he is to avoid being overthrown.

An early test of his influence will be the two crucial decisions he faces in the coming days: whether to pursue talks with the UN on nuclear inspections of North's nuclear facilities; and on whether to proceed with an unprecedented summit with South Korean President Kim Young-sam.

His father decided to reopen negotiations with the US and start them with South Korea shortly before he died - probably with a view to gaining diplomatic and economic support to return for renouncing the North's nuclear ambitions.

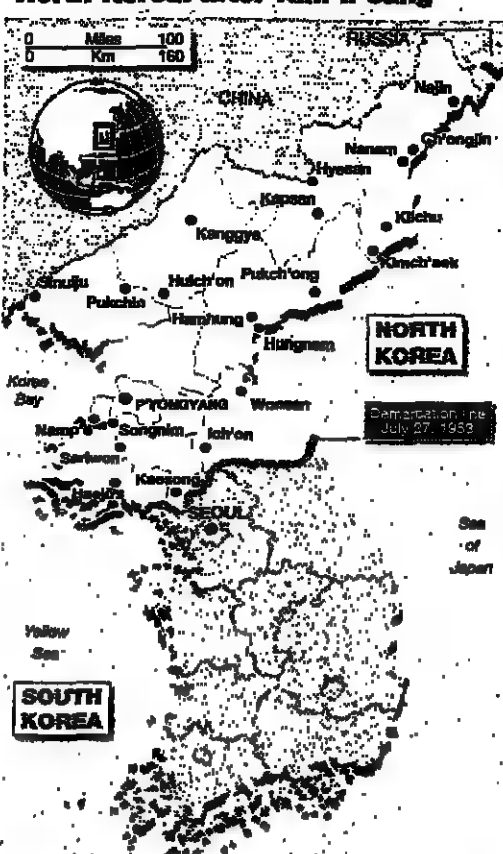
The pragmatists in the government have urged such a policy to end the country's international isolation and save it from economic collapse, according to recent visitors to Pyongyang.

But there are worries that Mr Kim Jong-il, lacking his father's immense authority, may adopt a

The death of President Kim Il-sung may herald far-reaching reforms in North Korea, writes John Burton

A future in the balance

North Korea after Kim Il-sung



The late president

Economic indicators

	1986	1990	1991	1992	1993
Real GNP growth (%)	2.0	-3.7	-5.2	-5.0	n/a
Population (m)	21	21.4	21.8	22.2	22.6
Exports (\$bn)	1.66	1.86	1.40	0.92	n/a
Imports (\$bn)	2.90	2.93	2.31	1.55	n/a
Trade deficit (\$bn)	1.219	1.073	0.902	0.630	n/a

Source: Economist Intelligence Unit

whether to pursue talks with the UN on nuclear inspections of North's nuclear facilities; and on whether to proceed with an unprecedented summit with South Korean President Kim Young-sam.

His father decided to reopen negotiations with the US and start them with South Korea shortly before he died - probably with a view to gaining diplomatic and economic support to return for renouncing the North's nuclear ambitions.

The pragmatists in the government have urged such a policy to end the country's international isolation and save it from economic collapse, according to recent visitors to Pyongyang.

But there are worries that Mr Kim Jong-il, lacking his father's immense authority, may adopt a

hardline stance in a tactical move to win the support of his conservative opponents until he gains total power. This would increase chances of a confrontation with the US over the nuclear dispute and possibly of a conflict breaking out on the Korean peninsula.

The delicate political balancing act that Mr Kim Jong-il is likely to limit the scope of any economic reforms he may want to introduce in the immediate future.

Moreover, he appears to lack the political skills and finesse that kept his father in power for 46 years. His need to build political alliances may eventually reduce Mr Kim to a figurehead or force him to share power in a collective leadership, which would considerably undermine his authority.

Some believe that even if Mr Kim succeeds in imposing his rule, he will lack the power to implement reforms far-reaching enough to reverse the country's economic decline. He may fear that a significant opening up to foreign investment would begin to unravel the centralised political structure.

The (investment) results being achieved would only show the system, but fail to show its fundamental flaws. They would be equivalent to the Soviet Union's efforts in the 1970s to attract foreign investment, which had little impact," said Mr Yang Sung-chul, professor of political science at Kyunghee university in Seoul.

This would be a recipe for further economic stagnation. If the economy continues to shrink by 5 per cent a year as it has done for the last few years, it could spark a popular revolt that would provide a pretext for the army to impose military rule after ousting Mr Kim.

Ironically, Mr Kim's strongest support may come from North Korea's arch-enemies, South Korea and the US. Seoul is worried that a sudden collapse of North Korea would cripple its efforts to become an advanced industrial nation, by forcing it to divert resources to reconstruct the North. According to some estimates, this could cost as much as \$200bn (\$133bn-£200bn) over 10 years.

South Korean officials indicated yesterday that they might agree to ease restrictions on economic relations and business ties to the North in return for a reversal of the nuclear dispute. They suggested that the UN could do the same, with a view to maintaining political stability.

Unlike as it may seem for the international community, in order to Mr Kim Jong-il as a saviour of North Korea, Washington and Seoul may be praying that he succeeds in achieving a smooth transfer of power. The alternative would be a political upheaval which would be felt throughout north-east Asia.

Out of the shadows

He is small in stature, pudgy, sports a bouffant hairstyle and his dress resembles a Chinese factory manager.

In sharp contrast to his father's public appearances has appeared unhappy and nervous. He is described by those who have met him as being both shy and arrogant. His lifestyle is reclusive and he avoids meeting foreign visitors. This might help explain why overseas delegations will not be allowed to attend the funeral of his father on July 17.

But North Korean defectors claim that Mr Kim is a "techno-freak" whose interests range from computers to watching foreign satellite programmes, including Cable News Network. "Kim Jong-il is well aware of what's happening in the outside world," said one analyst.

There are strong psychological and political reasons for Mr Kim's insecurity. Born in a Soviet army camp near Khabarovsk in February 1942, his childhood included a dreary life in Siberia; his father's ill-treatment of his mother and

her sudden death; his father's remarriage; and a war, "according to a South Korean government publication.

Although relations with his father appeared to be cool during his youth, Mr Kim was groomed for power. He attended the Mangyongdae Revolutionary Academy, an exclusive school for children of the political elite. He graduated from Kim Il-sung university with a degree in political economy and is reported to have studied briefly in the former East Germany.

He used his school ties in the traditional Korean manner to cultivate friendships with people who now hold key government and party positions and who are his chief political allies.

Mr Kim was officially appointed his father's successor in 1980, but family conflicts still pose a challenge to his role as heir. His step-mother is supporting her son and Mr Kim's step-brother, Kim Pyong-il, as a potential rival.

Another challenge could come from his uncle, Mr Kim Yong-ju, who was believed to be Mr Kim

Il-sung's chosen successor until he was replaced by the junior Mr Kim. Mr Kim Yong-ju disappeared from public view in the mid-1970s, only to reappear suddenly as a vice-president last December.

Mr Kim Jong-il might take comfort in the official public adulation that has enveloped him and his father. He is known as the "Dear Leader" and the country's mass propaganda machine has attributed him with a long list of extraordinary achievements, from overseeing vast construction projects to creating a revolutionary new form of theatre.

But North Korean defectors contend that Mr Kim has expressed profound cynicism about the cult of personality that surrounds him, even though he helped create it. Mr Kim appears to be driven by a need to prove himself and escape his father's overwhelming shadow. This may provide him with the motivation to abandon his father's *juche* (self-reliance) ideology and open up the country to the outside world.

John Burton



Kim Jong-il: reclusive

Beware of false summit

No sooner has one summit finished than another one opens. However, the irony of this week's European summit, called by Chancellor Helmut Kohl, is that the organisers don't want it to take place.

It is a cunning piece of blackmail. The German chancellor is using it to browbeat his fellow heads of government into agreeing on a common candidate to be the next president of the European commission, after John Major vetoed his last proposal. If they can agree in advance, no one will have to spoil his weekend, or postpone their summer holidays, by having to sit down in Brussels for yet another tiresome session of multilingual haggling, begging the British to stop being beastly.

But even if there is a chance of an early deal, everyone still has to plan for the summit. Because the Charlemagne building in Brussels, headquarters of the Council of Ministers, no longer has enough space for the mammoth closing press conference, the German government press office has had to hire the theatre over the street. It is paying to have it wired up with interpreters' cabins and microphones.

Hemming Wegener, of the federal press office in Bonn, is not amused. "It is costing me DM130,000 from

my own budget," he said. "And all for a meeting nobody wants to have, and which might never take place."

Sivio's fanfare

Silvio Berlusconi, Italy's prime minister and soccer club owner, has scored again. As he finished his press conference on Saturday night with the ringing declaration "I really and truly believe in the new Italian miracle", Dino Baggio scored the first of Italy's two goals against Spain in the World Cup quarter-finals.

The result swept the Italian front pages yesterday and even began to look like a deliberately orchestrated triumph to deflect recent criticism of his government. Rete 4, the most pro-Berlusconi of the three television channels owned by the prime minister, obligingly split the screen for the great moment: grinning Berlusconi, five from Naples, in one half; grinning Baggio, five from Boston, in the other.

Meals on wheels

After successful forays into Britain's communications and security businesses, where else to turn - except to the bed and breakfast? Securicor has plans to dish up two types of porridge: one at a

small hotel chain, dominated by the Richmond Gate Hotel in Surrey, the other in two new prisons the company hopes to build and operate. Roger Wig, Securicor's chief executive, reckons the company's experience in both enforced and voluntary leisure sectors admirably equips it for the new ventures. When booking a room, please ensure you get the correct establishment.

The job-seeker

Help wanted

Too busy selling

Diary note

called a special meeting of trade ministers on Saturday to discuss ways of freeing new areas of world trade. Hezza was just about to set off at the head of Britain's largest ever trade mission to South Africa. Once again Sarah Hogg, head of the prime minister's policy unit, stepped into the breach.

It's not the first time that Hezza has failed to show up for trade talks. He missed Marrakesh in April when the world's leading trade ministers signed off the Uruguay Round. He sent his number three, Tim Sainsbury, who is minister for industry, not trade. Indeed, Hezza's absence from the big trade policy set-piece events is starting to look increasingly odd, especially since he insists on calling himself the President of the Board of Trade.

Bob Phillips, the BBC's increasingly powerful deputy director general, has bowed to the inevitable. He is looking for a candidate to relieve him of his job as managing director of the BBC World Service which he has held since he arrived at the BBC.

In addition to being John Birt's deputy, and natural heir apparent, Phillips has just taken on the chairmanship of the newly created BBC Worldwide so he has more than enough on his plate. However, he is not letting go completely. The new World Service boss will report directly to him, rather than John

Birt. Sam Younger, the World Service's new director of broadcasting, is the internal successor.

But his promotion might seem a bit too cosy, if Phillips is really intent on exploiting the full potential of one of the Beeb's most valuable hidden assets.

Lawson minor

Poor old Nigel Lawson. Not only does Britain's ex-chancellor of the exchequer look like losing his bid to get a proper job as OECD secretary general, but a comprehensive school in Gateshead wants to erase his name from the school gates. Governors of the Lord Lawson Comprehensive at Birtley, Tyne and Wear - named after an extinct Labour baron - have voted to rename their school the Lord Lawson of Beamish Comprehensive to avoid any confusion with the current Lord Lawson. But why not rename it the Baron Lawson Comprehensive, as a reminder of the time when even Labour prime ministers handed out hereditary titles?

Diary note

The London Banks' personnel management group has sent out an invitation to all its members to next month's seminar: hands-on guide to sexual harassment.



FINANCIAL TIMES

Monday July 11 1994



UK likely to oppose Germany's EU agenda

By David Gardner in Dortmund

The new German presidency of the European Union is on course for a collision with the UK after making clear it intends to try to enact the remaining labour market and workers' rights measures in the EU's Charter.

Mr Michael Blum, Germany's minister, presented the proposals in a paper to EU labour and social affairs ministers in Dortmund at the weekend. They are intended to set the policy tone for the German presidency.

Foremost among the measures will be a push for stalled directives extending the rights of full-time employees in part-time workers; widening parental leave rights; regulating the rights and obligations of employees working outside their own country; and removing the burden of proof in discrimination cases - from the complainant to the employer.

The UK, wholly or partly, opposes all these measures,

which Germany has placed high on the agenda of Council of Labour Ministers meetings in September and December.

Mr Michael Forsyth, Britain's junior employment minister, said after the meeting that "we made it pretty clear we don't want more along the lines of the social action programme" derived from the European Commission's 1989 Social Charter. "We are not in favour of regulating pay and conditions and we're not going to change that."

Chairing the first, informal ministerial meeting of the German presidency in Dortmund constituted on Saturday, Mr Blum said the spirit of the French Revolution, still incomplete, is suggested in terms of the ideals of equality and fraternity.

Mr Blum underlined the gulf on social policy between the UK and EU partners, declaring: "Europe will either be a social Europe - a Europe of the masses - or it will be no Europe at all."

The UK may resort to its opt-out from the Maastricht social

chapter to avoid being bound by most of the directives Germany wants to introduce. But on part-time work, it may face difficulties following the recent decision of the European Court of Justice requiring equal statutory treatment of part-time and full-time workers.

Mr Blum's discussion paper emphasises the principle of subsidiarity, whereby the EU should not try to do what member states can do better. The paper stresses the need for better training, more flexible labour markets, and a crackdown on the black economy.

The document spells out, however, that an essential aspect of the flexible labour market idea is to be the UK was the part-time workers and parental leave directives, which will have a positive effect on employment.

Ministers agreed in principle to set up a working group to hammer out the social programme on jobs called for in 1994 by December, when the next regular EU summit will be held at Essen.

Israel on brink of showdown with illegal settlers

By Julian O'Connell in Jerusalem

Israel sent hundreds of soldiers to the Kiryat Arba settlement in the West Bank yesterday in what might be its first armed showdown with extremist Jewish settlers.

The move came on the eve of the permanent homecoming of Mr Yasser Arafat, the Palestinian Liberation Organisation chairman, symbolised today by tomorrow after a formal farewell ceremony in Tunisia.

Several hundred Israeli troops were braced yesterday evening to forcibly evict radical settlers who broke laws and illegally occupied three vacant government-built apartment blocks in Kiryat Arba. The settlers were in protest at a Jewish teenager being killed by a Palestinian.

If the eviction goes ahead, it will be the first time that prime minister Yitzhak Rabin has blocked illegal settlement in the West Bank and used the army to force settlers out. It may send a powerful sign to Jewish settlers and to the PLO that the government is prepared to face down the settlers.

Mr David Libai, justice minister, said after yesterday's meeting that the 15 families, supported by leaders from the militant settlement of Kiryat Arba, who occupied the buildings would have to leave or be forcibly removed.

Kiryat Arba settler leaders warned mass protests to struggle against any Israeli evictions and warned that a government force could end in bloodshed. Mr Yitzhak Rabin told Israeli settlers the government was threatening settlers "with annihilation" and would meet fierce resistance.

The Rabin government, which came to power two years ago, has a settlement in the West Bank and Gaza Strip in its 1994 guarantees. At least 4,000 homes, which were almost completed, were abandoned.

But militant settlers have moved into the West Bank in defiance of government policy and, while the fragile coalition government has so far acted cautiously in the face of settler actions, both sides say the settlers are a potential "timebomb" in the peace process.

Mr Rabin has been indicating that he increasingly sees the settlers - especially the 4,500-strong militant community at Kiryat Arba - as a political tringe and a menace to the peace process.

At the weekend Mr Arafat met King Fahd of Saudi Arabia to press the monarch, the PLO's main financial backer before Mr Arafat backed Iraq during the occupation of Kuwait in 1990-91, to release millions of dollars of pledged aid to Palestinian self-rule in Gaza and Jericho.

THE LEX COLUMN

United they stand

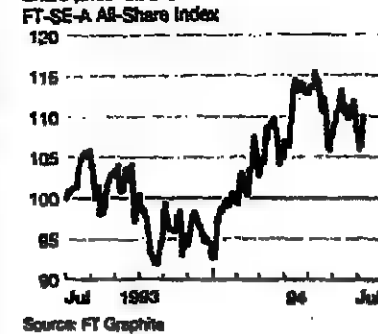
United Airlines shareholders will tomorrow see a radical restructuring plan which involves the workforce being cut by 10,000 (3.2bn) of labour concessions in return for 55 per cent of the company's stock. The proposal has been hailed as an imaginative experiment in industrial democracy in an era where the distinctions between labour and capital have blurred.

But there are huge doubts about the plan's specific industrial and financial logic. It is hard to make employee ownership work at the best of times as conflicts of priority arise between employee interests and capital investment. The United Airlines plan is one of the most ferociously competitive markets in the world. The worry is that United's main advantage would prove temporary anyway. If other airlines respond with similar measures, the industry would experience a step change in cost structure, which would be quickly followed by further painful reductions in fares and there would be no industry revenues.

Assuming United's shareholders also hold stock in other airlines, they may make the hard-headed calculation that it would be better to block the United deal and allow a major airline to go bust. Only by removing capacity will it be possible for other carriers to make a decent return on capital. The disturbing effects of the Chapter 11 bankruptcy procedure have kept many carriers in the air for too long. If the Clinton administration is committed to restoring the aviation industry's health it should encourage companies to fail rather than stick financial plasters on their wings.

Thorn EMI

Share price relative to the FT-SE-100 All-Share Index



Source: FT Graphite

attractive. Polygram's rating arguably slipped from the 10 per cent held by Philips.

Unencumbered by its association with the dull rental business, EMI might also find it easier to branch into book publishing and create a multi-media entertainment empire.

Alternatively, EMI could be besieged by investors wishing to include it in their multimedia empires.

All this is heady stuff. Thorn EMI's share price rose 4 per cent at the end of last week as investors focused again on the danger concept. The stock's outperformance since the start of the year has been largely driven by the same story. The idea is so appealing that a further rise could be justified. But if any hitches appear, the market will be sorely disappointed.

UK insurance

The government's decision to allow building societies to write house structures and contents insurance is welcome. The societies paid to society for selling policies underwritten by insurance companies - anything up to 20 per cent of premium - are an unnecessary expense borne by consumers. Third parties such as Direct Line are already putting commissions into a pot. The government has now given the building societies a choice between accepting lower commissions and going it alone.

Even if commissions come down, many societies will be loath to give up their risk-free income and take on underwriting risk themselves. Others will not have capital available to back new insurance ventures. But with modern technology and adequate reinsurance, societies should be able to make ruinous losses in household insurance. Larger societies may be more

be tempted to take advantage of their new freedom, even if it means buying claim-handling or other services from outside.

That would be a disaster for the composite insurers, which gain up to half their household premiums through building society sales. The sharp rise in premium rates in recent years means the business is now highly profitable. Wide margins have already tempted the direct writers to muscle in, and new ventures by building societies would add to the competitive pressure. Composite insurers may face a battle to defend their market share.

Banking

One of the perennial problems facing banks is their inability to assess and price risk correctly. In the 1970s banks went overboard lending on low margins to developing countries, some nearly destroying themselves in the process. A decade later property lending brought similar pain. The trouble is that banks tend to develop an insatiable appetite for certain types of business, sometimes as a type of aversion therapy for past mistakes. Property lending, after all, offered the benefit of collateral which must have seemed a godsend when sovereign lending. It turned out to be a bad advantage when borrowers ran out of cash and asset values slumped. By then loan pricing bore no relation to actual risk.

A new proposal from the London-based Centre for the Study of Financial Innovation could go some way towards correcting this problem. Its latest paper on capital adequacy suggests techniques commonly used for assessing risks in the derivatives market could be applied to loan assets too. Basically this would involve using computer models to establish the market value of each individual loan, assessing its volatility and measuring an appropriate capital charge.

The paper's main preoccupation is with the safety of the system. But its proposal, which admittedly is fraught with technical difficulties, surely have an impact on pricing too. Banks would be forced into a subtler measurement of risk which reflected the volatility of their income. Greater precision in setting capital requirements would make it harder to under-price risky business. Lending to small business might become prohibitively expensive as a result. But the banks themselves would make fewer losses.

Spain to inject \$300m into VW's lossmaking Seat unit

By Tom Burns in Madrid

Volkswagen, the German car group, has won a victory in its bid to inject \$300m into its lossmaking Spanish subsidiary, after 10 weeks of bargaining with the Spanish government.

The cash injection in some \$250m less than Volkswagen wanted, but it represents a climb-down from the government's previous refusal to bail out private sector groups.

Other companies, particularly in the car industry such as the Spanish Suzuki plant in the south of Spain, are now likely to press for similar funding.

Officials, however, say Seat is a special case. It is the highest domestic car producer, the only one which has a Spanish marque and it uses a high level of domestic technology.

The Spanish government will provide \$250m and the Barcelo-

ned Catalan government the rest. The Catalan nationalist party, which runs the regional government in Barcelona and supports the minority socialist government in the Madrid parliament, had consistently backed official subsidies for the car's most important employer.

In the first 10 weeks between the Spanish administration and a multinational, Volkswagen had hinted it might wind up Seat as a separate unit which it received government aid.

The formerly state-owned car producer, which was acquired by Volkswagen in 1987, lost \$181m last year and expects to lose \$250m this year.

A key element in the agreement, which will be formally signed today, is that the funds must be invested in technology. The Seat and VW not be used to lay off the company's workforce. The Volkswagen subsidiary

intends to shed some 4,500 jobs, a quarter of its labour force.

The government has also obtained important concessions from Volkswagen:

- The proportion of Spanish-made components used by Seat is to rise from a present 14 per cent to 20 per cent.
- Seat will be maintained as a separate marque within the Volkswagen group and the German parent will keep up the company's design and technology centre, together with its capacity to produce new models.
- Any new manufacturing plants opened by Seat in the future will be located in Spain.

Volkswagen will invest \$250m in the company, announced at the end of December, to close Seat's 40-year-old plant in the port area of Barcelona and shift production to a new factory in the town of Martorell, 30km north-west of the city.

G7 leaders greet Yeltsin

Continued from Page 1

was finally responding in his reform efforts. For their part, the G7 painted an upbeat picture of their own economic prospects. "They're talking about the G7 having a 2.5 per cent growth in its GDP" this year, said Mr Lloyd Bentsen, the US Treasury Secretary. "That's sure a lot better than the 1 per cent we saw last year."

However, the economic summit recognised that improved growth alone would not cut the 24m unemployed in the G7 countries

and the seven leaders adopted a programme of economic reforms to boost employment.

President Clinton failed to win a consensus for an early push on further trade liberalisation in such areas as investment, technical standards and telecommunications.

However, the other main contentious issue was solved. The difficult negotiations among officials, the G7 countries agreed to offer Ukraine an initial payment of up to \$200m to shut down the remains of the Chernobyl nuclear plant on safety grounds.

N Korea

Continued from Page 1

Saturday, 34 hours after he succumbed apparently to heart failure.

North Korea halted military exercises and stopped propaganda broadcasts attacking South Korea after Mr Kim's death. But the South placed its armed forces on emergency alert on Saturday in response to concerns that a hardline military elite might try to oust Mr Kim from power.

Mr Kim died as North Korea began discussions with the US.

FT WEATHER GUIDE

Europe today

High pressure area over Poland and Germany, will cause sunny and mainly dry weather over large parts of the continent. Temperatures will rise several degrees above normal. However, the British Isles, Norway and northern Scandinavia will stay cloudy with rain at times coming in from the Atlantic.

Afternoon temperature readings as high as 40C will occur in southern Spain. The Balkans, Greece and western Turkey will have thunder showers and relatively cool temperatures. Southern Italy may have some isolated showers. The Alps will have a mainly sunny and rather warm day with an afternoon shower in southern Austria and in the French Alps.

Five-day forecast

Warm weather is expected to continue over the continent, however there will be an increasing risk of thunder storms. The British Isles will continue rather cloudy and cool, but there may be an improvement in the second part of the week. The Mediterranean holiday resorts will stay warm. There will be a gradual trend for fewer thunder showers in Greece and Italy.

LOW 1000, 1010, 1020, 1030, 1040, 1050, 1060, 1070, 1080, 1090, 1100, 1110, 1120, 1130, 1140, 1150, 1160, 1170, 1180, 1190, 1200

WARM FRONT, COLD FRONT, WIND SPEED IN KPH

TODAY'S TEMPERATURES

Location	Temp	Location	Temp	Location	Temp	Location	Temp
Abu Dhabi	38	Belfast	12	Cardiff	12	Faro	26
Accra	30	Birmingham	18	Edinburgh	10	Frankfurt	22
Algiers	33	Bombay	31	Glasgow	10	Geneva	20
Amsterdam	18	Brussels	18	Hamburg	18	Gibraltar	28
Athens	29	Chengdu	25	Heidelberg	18	Glasgow	10
Bahia	31	Chicago	24	Hong Kong	28	Helsinki	18
Bangkok	32	Cairo	28	Hong Kong	28	Honolulu	28
Barcelona	28	Calcutta	31	Istanbul	27	Karachi	31
		Cape Town	17	Jakarta	31	Kuala Lumpur	31
				Jersey	18	London	18
				Karachi	31	Luxembourg	18
				Kuala Lumpur	31	Lyon	18
				London	18	Madrid	28
				Luxembourg	18	Manila	28
				Madrid	28	Moscow	18
				Manila	28	Mumbai	31
				Moscow	18	Nairobi	28
				Mumbai	31	Rangoon	28
				Nairobi	28	Rio	28
				Rangoon	28	Sao Paulo	28
				Rio	28	Seoul	28
				Sao Paulo	28	Singapore	31
				Seoul	28	Taipei	28
				Singapore	31	Tokyo	28
				Taipei	28	Toronto	18
				Tokyo	28	Washington	18
				Toronto	18	Wellington	18
				Washington	18	Winnipeg	18
				Wellington	18	Zurich	18
				Winnipeg	18		
				Zurich	18		

NatWest Markets Mezzanine Finance

NatWest Markets announces the establishment of a specialist operation which combines the strengths, expertise and portfolios of the mezzanine teams of NatWest Ventures and NatWest Acquisition Finance

For more information contact Barrie Moore, Director of NatWest Markets Mezzanine Finance, Telephone: 071 375 5123 Fax: 071 375 5141

NatWest Markets

Bryant Group
Investment
stand



FINANCIAL TIMES COMPANIES & MARKETS

© THE FINANCIAL TIMES LIMITED 1994

Monday, July 11, 1994

Fletcher King
SURVEYORS, VALUERS,
COMMERCIAL PROPERTY
CONSULTANTS
London 071-493 8400 021-643 8400

MARKETS THIS WEEK

BRONWEN MADDOCK:
GLOBAL INVESTOR
The results season on Wall Street will help answer some questions troubling world markets, such as the impact of rising commodity prices on profit margins. It will also shed light on a point which has attracted less attention: the damage inflicted on corporate earnings by the shift in the yield curve. Page 20

GUY DE JONGHER:
ECONOMIC EYE
There is a tenuous belief, even among some policy-makers, that high-tech is "special" and merits attention which they would never lavish on other industries. In the name of investing in future prosperity, Europe has pumped billions of Ecu into collaborative research and development efforts. Page 20

BONDS:
The bear market in bonds took a turn for the worse last week as participants had a closer look at the massive debt burdens and funding pressures weighing on some European governments. Page 22

EQUITIES:
In New York some investors believe good earnings are around the corner. If they are right, share prices will receive a much-needed boost. Meanwhile in London, if only the US dollar can at least stay in line this week, the market can rely on support from most of the leading market strategists, even if the buyers still appear somewhat less. Page 23

EMERGING MARKETS:
With less than six weeks before Mexico's presidential election, investors in the country's stock and money markets are uneasy. Page 21

CURRENCIES:
If the general axiom that markets only respond to unexpected events holds true, foreign exchange traders will have a quiet morning today, reading a widely predicted G7 statement, devoid of any programme of dollar support. Page 21

COMMODITIES:
Co-operation between producers and consumers on stabilising natural rubber prices has been under strain for some time. Page 20

INTERNATIONAL COMPANIES:
Cariplo, the Italian savings bank, hopes to relaunch its postponed international share issue "soon", but only when world markets recover confidence, according to Mr Sandro Molinari, the bank's chairman. Page 11

UK COMPANIES:
Royal Bank of Scotland has completed its six-year US acquisition spree with the finalisation over the weekend of its purchase of Old State Federal Savings Bank of Rhode Island. Page 16

STATISTICS			
Base lending rates	29	London recent issues	29
Company meetings	10	London share services	28-31
Dividend payments	10	Managed fund services	28-31
FT-A World index	29	Money market	29
FT Guide to currencies	21	New UK bond issues	22
Foreign exchanges	29	World stock index	24

Fokker to receive £1.1bn cash injection

By Ronald van de Krol in Amsterdam

Fokker, the loss-making Dutch aircraft maker, is to receive a £1.1bn (£1.1bn) cash injection to repair its financial situation. The deal, approved by the Dutch government, will see the company's majority shareholder, Daimler-Benz, inject the cash into Fokker's equity. The long-awaited refinancing is to consist of a capital injection of more than £1.1bn from Daimler-Benz, which bought a 10 per cent stake in Fokker in April 1983. The Dutch government, which has a minority holding in the Netherlands' only aerospace company, will indirectly help Fokker raise the money by agreeing to approve a "sale and lease-back" arrangement whereby Fokker plans to sell its aircraft-building technology to Rabobank, the big Dutch co-operative bank. This part of the deal required government approval because the purchase of the patents by Rabobank is designed to reduce the bank's tax bill, depriving state coffers of £140m in revenue. A similar technology lease-back arrangement was struck last year between Rabobank and Philips.

Fund managers feel optimistic over gilts

By Steve Thompson in London

UK fund managers are becoming increasingly optimistic about UK gilts and equities and Japanese equities. They also view the recent weakness in bonds and equities as a buying opportunity, rather than the portent of worse things to come, according to a survey of leading UK investment funds carried out by Gallop for Smith New Court. A balance of 42 per cent of respondents intend to run down their cash balances, the highest figure for around a year. Optimism about the UK and Japanese markets is not extended to other markets, however, with a balance of 13 per cent saying they plan to reduce their exposure in the US and 14 per cent looking to cut their European holdings. The balance of respondents intending to increase their holdings in UK equities rose to 20 per cent from 8 per cent last month and that for US to 19 per cent from 16 per cent. Some 69 per cent of fund managers expect the UK economy to "get a little better" over the next 12 months. UK company earnings per share growth is forecast to rise 16.4 per cent this year. Expectations for dividend growth have been revised upwards with respondents looking for dividend growth of 8.6 per cent in 1994, up from last month's figure of 8.3 per cent. A quarterly inquiry into sectoral preferences reveals definite bias towards cyclical manufacturing sectors. General engineering, building materials and pharmaceuticals are the most popular sectors. The three least popular sectors are food manufacturing, textiles and electricity stocks.

Matra may buy BAe space arm

By Paul Betts, Aerospace Correspondent at Cape Canaveral

British Aerospace and Matra Marconi Space are to hold a new round of negotiations in Paris this week over the possible sale of BAe's space systems division to the joint venture company between the French Lagardere technology and media group and the UK's General Electric Company (GEC). Matra officials, attending the latest US space shuttle launch carrying a space laboratory involving Matra technology, described the new talks with BAe as "important".

Although the two sides appear close to an agreement after nearly two years of negotiations, Mr Armand Carlier, Matra Marconi Space's new chief executive, said it was still difficult to say if a deal would finally be clinched. "Acquisitions in the space area are difficult. You have to make an assessment of both the past and future prospects of a proposed acquisition. The due diligence process takes long and is complex." One hurdle which had delayed an agreement appears to have been resolved. This involved the Orion satellite to provide a private communication network for a group of large corporate users.

led by the Manhattan Bank of the US. BAe is the prime contractor. BAe had difficulty finding a US partner to launch the Orion satellite to meet the timetable of the satellite's launch. This appears to have been resolved with a potential launch later this year on a Martin Marietta rocket. French officials could face potentially heavy financial liabilities if it had acquired BAe's systems division before Orion was resolved. French concerns of potentially heavy pension obligations for

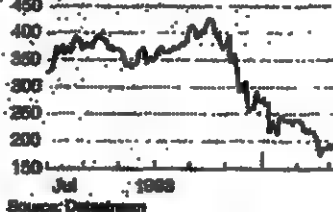
the 1,000 BAe employees it would absorb. BAe's pension scheme is more generous than the French company's equivalent. However, Matra appears to reach an agreement quickly. The acquisition as a significant step in its efforts with Marconi to create an important European player in the sector. The combined companies would employ more than 1,000 people. This would strengthen Matra Marconi Space's position in an increasingly competitive commercial

David Waller reports on Metallgesellschaft's restructuring Nerves of steel in German metals group

Summing up the latest of Metallgesellschaft's problems, the troubled German metals, mining and industrial group, Mr David Waller has a two-pronged message last week. The first message was that Metallgesellschaft's problems had turned out to be bigger than he expected when he took over as chairman in the week before Christmas last year. The second, and marginally more optimistic point contained in a letter to shareholders, was that more had been done to bring the Frankfurt-based conglomerate back to financial health than he had thought possible when he was brought in to lead the crisis-struck group. Still, the negative part of the message outweighed the positive last week.

The group's losses for the year to September would be about the same level as last year's DM1.9bn (£1.2bn). Mr Neukirch warned at a briefing on Thursday night. In the first half, losses were DM1.5bn, against a pre-tax profit of DM98.3m in the same period last year. Mr Neukirch also revealed that the company would have to book a DM1bn provision to cover further losses generated by MG Corp, the group's New York-based US trading subsidiary. These come on top of the DM2.2bn losses already run up by MG Corp as a result of speculative trading in the oil futures market, bringing Metallgesellschaft, one of Germany's biggest industrial groups, to the brink of bankruptcy in January.

The new provision arises from the engagement of MG Corp with Castle Energy Corporation, a north American oil refinery. MG Corp's previous management agreed to buy refined oil from Castle at higher than market prices for the next five years. The situation is complicated by the fact that MG Corp owns 40.1 per cent of Castle, and former MG Corp directors sat on the Castle board. The relationship between MG Corp and Castle, set out in 76 contracts from which MG Corp has unsuccessfully tried to escape, were known about when bankers and shareholders agreed to a DM3.4bn rescue and refinancing package earlier this year. It only became clear that a large provision would be needed in late May and the scale of the risk was quantified until Friday. Conveniently, the DM1.5bn will be covered by the extraordinary profits on the disposal of Buderus, a heating equipment and engineering subsidiary.



The situation is complicated by the fact that MG Corp owns 40.1 per cent of Castle, and former MG Corp directors sat on the Castle board. The relationship between MG Corp and Castle, set out in 76 contracts from which MG Corp has unsuccessfully tried to escape, were known about when bankers and shareholders agreed to a DM3.4bn rescue and refinancing package earlier this year. It only became clear that a large provision would be needed in late May and the scale of the risk was quantified until Friday. Conveniently, the DM1.5bn will be covered by the extraordinary profits on the disposal of Buderus, a heating equipment and engineering subsidiary.

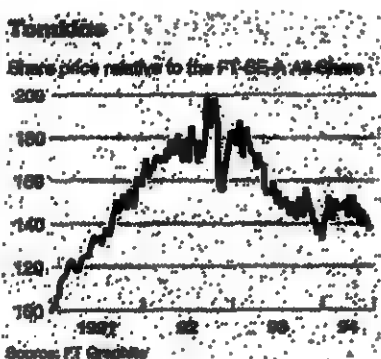
for DM1.2bn last month. Mr Neukirch, which was highly profitable, was sold. It did not fit the group's newly defined core strategy. But the circumstances of the disposal of an amputation: earlier this year Mr Neukirch was

Continued on Page 21

This week: Company news

United Airlines Bumpy landing expected for staff buy-out

The world's biggest employee buy-out goes to the vote in the US tomorrow when United Airlines' shareholders decide whether they are prepared to cede majority control of their company - the country's biggest airline - to its staff. The betting is that the deal will go through, but it is by no means a sure thing. Last month the Pensions/Investment-based Vanguard/Window Funds, an institutional investor speaking for nearly 10 per cent of United's shares, said it would vote against the proposal. But Alliance Capital Management, which holds about 17 per cent of the stock, subsequently announced it would side with United. United's plan is to give employees a controlling stake of between 56 and 68 per cent of the company's equity in return for cost-cutting labour concessions worth \$4.9bn over the next 12 years. It badly needs the proposal to succeed because it forms the basis of its strategy for restoring profitability in the face of cut-throat competition from smaller, low-cost US carriers. If the plan collapses, the consequences could be grim. United would probably embark on a policy of retrenchment, axing hundreds of unprofitable short-haul domestic routes and contracting out services such as catering and maintenance. The resulting job losses would stand a good chance of provoking a head-on confrontation with the airline's powerful labour unions. Existing shareholders will get a half-share in the new United Airlines plus \$4.81 in cash for each share they now hold. United argues that there is no alternative to the plan, but dissenters say that with many of the airline's problems stemming from uppy and over-paid staff, the notion of an employee buy-out is tantamount to giving lunatics control of the asylum.

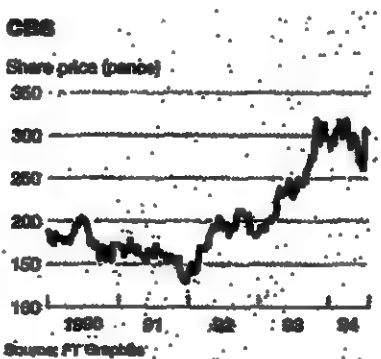


TOMKINS Bread and butter brings in the jam

Tomkins, the industrial conglomerate, reports annual figures today which may finally silence the critics of its \$390m takeover of Ranks Hovis McDougall in December 1992. Analysts expect the UK-based food group to have contributed profits of around £100m (£65m) despite the pressure on domestic grocery prices, particularly in bread. The cakes business has been weak, but the improvement in milling is thought to have accelerated in the second half along with a recovery in RHM's US operations where it sells peanut butter and ketchup. For the group as a whole, forecasts range from £256m to £285m (£402.8m) up from £171m the previous year, with earnings per share increasing by around 15 per cent. The dividend is likely to rise to between 7.1p and 7.35p, up from 6.35p. The old Tomkins businesses are thought to have had a mixed year in the US, with Murray Ohio, the lawnmower and bikes business suffering from fierce competition and poor weather, but the building products companies benefiting from recovery and gunmaker Smith & Wesson showing good growth. Tomkins generates 60 per cent of its operating profit in dollars. While there should be translation gains, the shares have fallen back recently as the American currency has weakened.

CIGA ITT closing in from its Sheraton base

Today's board meeting of Ciga, the Italian luxury hotels group, is likely to provide confirmation that ITT, the US conglomerate which owns the Sheraton hotel chain, has gained effective control of the company. Up to three of the existing seven-strong board are expected to step down, allowing Sheraton-nominated directors to join. ITT confirmed at last week's shareholder meeting that it now owns 74.4 per cent of Ciga through its Sheraton International subsidiary. ■ Low & Bonar: Improved margins in North America and signs of increased volumes in continental Europe are expected to lift Low & Bonar's interim pre-tax profits by about 22 per cent to £17.5m (£26.6m). The UK-based international packaging and materials group, which announces results for the six months to May 31 today, has shed non-core businesses and shored up its mainstream activities with acquisitions such as Cereal Packaging, the former Kellogg company. Contributions from such subsidiaries should underpin the group's earnings. ■ The self-proclaimed



the transaction, which has sharply boosted their share prices. But it will take another 90 to 120 days to complete, and a hostile bid for CBS could emerge during that period. ■ Great Universal Stores: The UK mail-order, retail, financial services and property group which last year enfranchised its shareholders, is expected to report a 48th year of uninterrupted growth on Thursday. Pre-tax profits are forecast at £511m (£778m) for the year to end-March, ahead from \$475m previously. The increase has been driven by a strong performance in the UK mail-order business, and a good result from Burberrys. ■ Rank Organisation: The leisure group, which announces first-half results on Thursday, is expected to announce profits before exceptional charges of between £11m and £11.5m (£17.8m). This is expected to be balanced by exceptional charges of £12m, relating to US video distribution closure costs and Rank's share of the restructuring of Rank Xerox.

Companies in this issue			
Alcatel	19	City of London Inv	18
Ashland	18	Dasa	17
BAe	17	Fokker	17
BCE Holdings	16	General Motors	19
Cariplo	19	Matra Marconi Space	17
		VW	3

This announcement appears as a matter of record only

£10,300,000

Management Buyin/Buyout of

AVON

AVON MARINE LTD

Led and arranged by
CINVen

Equity provided by
CINVen Funds

Debt facilities provided by
Midland Bank

Ashurst ■ Crisp acted as solicitors ■ Coopers & Lybrand ■ as investigating accountants ■ Avon Marine Ltd and the institutional investors

Having the capital to back a big idea is only half the secret.
Having the vision to spot one is the other half.

CINVen

CINVen Ltd is a member of BIPC

Unit swap deal offered by City of London trust

"The changes will make the key banks more valuable and will [redacted] those which [redacted] not give a strategic [redacted] [redacted] so," he [redacted] "If our market [redacted] is only 10 per cent, we could [redacted] squeezed [redacted] without anyone even needing to buy us, but as we're the dominant bank in our [redacted] it's a [redacted] ent ball game."

The new investment trust will follow the same principles as the previous, and its initial portfolio will be almost identical.

to fight to the end", says one driver, arguing there should have been a war effort without a cash offer worked on the principle of the rule.



There are exceptions: **Mr. Chris Patten** expects to take nearly half his £10,600 in Stagecoach shares. He also has

Ashtead makes £3.35m purchase

GRAN Powered was established in early 1990 and rents out an extensive range of power and access platforms. Turnover in 1991 was £1.5m with operating losses of £85,000. Ashted, however, expects the acquisition to be profitable and earnings enhancing in the current year.

FINANCIAL TIMES
Conference

Presenting

FT-City Course

An introduction to the Financial Markets

London 3 October to 21 November 1994

The FT-City Course is held at the Barbican Centre on Monday afternoons for eight weeks. It is designed to give a broader understanding of how the major financial institutions of the City of London operate and the factors that make it a pre-eminent financial and trading centre.

SUBJECTS TO BE COVERED IN PROGRAMME ORDER INCLUDE:

London as a Financial Centre • The Stock Exchange and Equity Markets • Gift and Fixed Interest Markets
Short Term Money Markets • International Capital Markets • Commodities Markets • Foreign Exchange
Markets • Futures and Options • Swaps and Related Option Markets • Current Developments in Clearing
Banks • Building Societies • UK Insurance Market • Securities Houses and
Investment Banks • Pension Funds • Discount Houses • Principles of Bank Lending • Corporate Finance -
Mergers • Acquisitions • Venture Capital • Risk of the Central Bank • Fraud •
Money Laundering • FSA and the Regulatory Regime • How does Economic News Affect Markets?
Overview of the World Economy • Outlook for the British Economy

PRESENTATIONS ARE GIVEN BY REPRESENTATIVES FROM:

• Association of British Insurers • Bank of England • Banking Consultant • Barclays de Zoete Wedd Limited
Building Societies Association • Canadian Imperial Bank of Commerce • Deutsche Bank • LIFFE • London Stock Exchange
GW Associates • Guildhall Limited • James Capel Fund Managers • Lywood David International
Midland Bank • National Westminster Bank • Ried Thunberg • Co Inc. • SFA • Seccombe Marshall • Camplon
Titmus Sainer • Dechert • Yamaichi International

FT-City Course

Financial Times Conference Organisation P.O. Box 3651, London SW12 8PH. Tel: 081-673 9000 Fax: 081-673 1335

☐ Please send me conference details.

Name Mr/Mrs/Ms/Other

Address

Position

Dept.

Company/Organisation

City

Postcode

Type of Business

Tel:

Fax:

News round-up

IFC is a World Bank subsidiary, and the leading multilateral source of equity and loan financing for private sector projects in developing countries.
***Available for \$75 from: International Finance Corporation, Emerging Market Data Base, Room F-3175, 1850 I Street, NW, Washington, DC 20433. Tel (202) 473-8550; Fax (202) 676-9299.**

■ IFC Factbook
The International Finance Corporation (IFC) has released the 1994 *Emerging Stock Markets Factbook*, which provides detailed information of 50 stock markets in developing countries.

This year's factbook presents for the first time IFC's **_____** (on **_____** available to foreign investors), broken down by industry.

It also includes an introductory section with detailed information on how emerging markets are defined, economic and stock market characteristics, and expanded analyses of the IFC indices as well as individual markets.

The low growth and weak exchange rate, which forced Mexican companies to report large losses on their foreign debt holdings, has led to a sharp decline in the earnings growth of Mexico's leading companies. Savings Securities has recently reduced its estimate of the average real growth in earnings per share for Mexico's largest 36 companies from 30 per cent to 13 per cent.

If the political uncertainty continues some analysts expect that the government will have to devalue the currency. In spite of the government's financial reform programme, Grupo Moneda, a financial research house in Mexico City, reckons that the current account deficit will reach \$25.6m this year, or 7

Philip Gawith

Year	Percentage
1970	10.5
1975	11.0
1980	9.5
1985	9.8
1990	10.2

Market attention will also focus on the currencies which have borne the brunt of dollar weakness (or D-Mark strength) such as sterling, the Italian lira, Belgian franc and Swedish krona. Mr Silvio Berlusconi, Italian prime minister, has promised this week in

announce details of a budget deficit reduction package.

The table below gives the latest available rates of exchange (rounded) against four key currencies on Friday, July 8, 1994. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

E 870				D-8686				Y81				E 870				D-8686				Y81			
[C 189]				[C 189]				[C 189]				[C 189]				[C 189]				[C 189]			
Algeria (Algeria)	4200.30	300.18	1983.68	1841.17	Gambia (Gambia)	4210.00	97.28	8.72	8.28	Guinea (Guinea)	47.00	1.00	30.84	16.19	21.07								
Algeria (Algeria)	104.00	100.00	100.00	100.00	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	35.72	35.72	35.72	35.72	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	13.21	13.21	13.21	13.21	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	14877.8	8.00	8.00	8.00	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	4.10	4.10	4.10	4.10	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00	1.00	1.00	1.00	Guinea (Guinea)	1.00	1.00	1.00	1.00	1.00								
Algeria (Algeria)	3.28	3.28	3.28	3.28	Gambia (Gambia)	14.00</																	

[illegible]

We've increased our Executive Class seat pitch to 50 inches on flights* from London and Paris to Japan. For further details call your nearest JAL office.

[illegible]

UK MANUFACTURER WANTED
German Manufacturing Group seeks merger, acquisition or shareholding with established manufacturing going concern in the UK - valued upwards of £2m.
Principals only contact in strictest confidence. European Assignments -
Tel: 071 495 1720 Fax: 071 495 6279

The essential tool for the serious investor

Market-Eye

in constant form with you

London STOCK EXCHANGE

071 329 8282
Fax 071 329 4501



Skandia Capital AB

**Guaranteed Floating Rate
Notes Due 1995**

■ six months 11th July,
■ to 9th January, 1995
the Notes will carry an interest
■ of ■
with a coupon
US \$1,358.68 per ■ \$50,000
Note and ■ \$13,586.81 per
US \$500,000 Note payable ■
9th January, 1995.

**Barclays Trust
Company Limited**

WORLD BOND MARKETS: This Week

NEW YORK

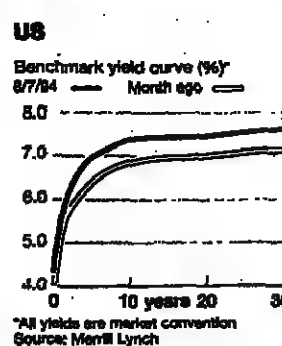
Martin Dickson

A stronger than expected US employment report on Friday means that the main question facing the US bond market this week is when, and by how much, the Federal Reserve will next tighten monetary policy.

The June employment report, showing an economy still growing at a brisk clip, reinforced the market's fears of inflation and meant the yield on the 30-year benchmark Treasury issue broke up out of the trading range of the past three months to close on Friday at 7.68 per cent, its highest since 1992.

Even before the job figures, many analysts were forecasting the Fed would tighten at the next meeting of its policy-making Open Market Committee, on August 16. But some now think interest rates could rise much sooner, possibly in the aftermath of this weekend's G7 meeting.

Statistical hurdles this week include June's producer and consumer price indices, due



on Tuesday and Wednesday respectively. The consensus forecast is for a 0.2 per cent rise in the PPI, excluding the volatile food and energy components, and 0.3 per cent for the CPI, on the same basis.

June retail sales, due out on Thursday, are expected to show a 1 per cent rise on May, while Friday's industrial production figures could show capacity utilisation rising to around 84 per cent, its highest reading in five years.

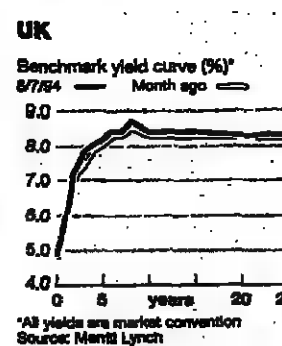
LONDON

Philip Coggan

Gilt markets will have the regular mid-month menu of UK economic data to feast on this week, with figures for retail and producer prices and unemployment all due.

However, most attention will probably be focused on Wednesday's average earnings data. April saw an unexpected fall in average earnings growth to 3% per cent, from 4 per cent in March. Expectations are for the annual rate to be unchanged in May but any acceleration would re-awaken inflationary fears, as would any further signs of a knock-on effect of higher commodity prices on the producer prices or retail prices data.

One eye will have to be kept on the international situation, in case dollar weakness prompts either concerted G7 action, or unilateral US Fed action, on interest rates. Also keenly watched will be the announcement of the next gilt auction on Friday. Will the Bank return to a conventional funding programme, or does



it still believe medium to long-term gilt yields are too high?

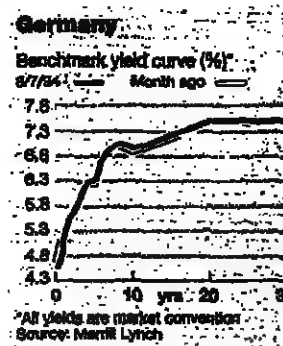
Gilts were one of the best performing world bond markets in June, giving some relief to those who despaired of an end to this year's downturn. Ms Katy Peters of Daiwa Europe says the short end of the market is still wrongly priced, since it has discounted an early increase in base rates which she thinks will not occur.

FRANKFURT

David Waller

Central banks in Germany and the US met last week and did nothing to change interest rates; finance ministers of the G7 countries met in Naples and decided not to launch co-ordinated action to support the US dollar.

According to Mr Adolf Rosenstock at the Industrial Bank of Japan in Frankfurt, this creates "the imminent risk of a massive shake-out in the foreign exchange



market, with bond prices displaying "remarkable resilience" in the face of dollar weakness. Mr Rosenstock believes German government securities are in a good position to weather any storm that breaks early this week.

Support from fundamentals will come from two sets of data due in the next few days - retail sales for May and wholesale prices for June. Both figures are likely to add to the picture suggested by recent industrial output and manufacturing order data: that

TOKYO

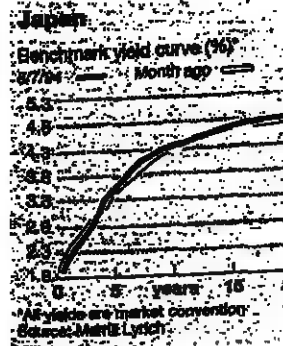
Emiko Terazono

Fears of over-supply - the new Murayama administration plans to cover income tax cuts with bond issues - are sapping investor confidence and outweighing the impact of the strong yen.

Comments last week by Mr Masayoshi Takemura, the finance minister, that the government will postpone raising the consumption tax to cover the decrease in state revenues following from income tax cuts, hit bond prices.

Press reports of an additional fiscal spending package of around ¥8,000bn to help the economy, to be covered by deficit covering bonds, have also depressed sentiment.

However, the outlook for the economy remains weak, and although many market participants this week will be focusing on the aftermath of the Group of Seven meeting, the yen's strength and economic indicators are expected to point to low inflation and weak demand.



According to DKB International, an average dollar/yen exchange rate of ¥100 this business year would mean growth would remain at around 1 per cent, domestic wholesale prices would fall by 1 per cent and consumer prices by 0.8 per cent.

Private machinery orders for May are expected to fall, indicating a poor outlook for investment, and bank lending for the year to June is also forecast to show a decline.

Capital & Credit / Conner Middelmann

Spotlight falls on high-deficit countries

The last market in bonds to turn its back on the euro is participants in a closer look at the market's dark underbelly - funding problems weighing on some European countries.

This week's headlines in countries' indebtedness was triggered on July 1 when Skandia, the large Swedish insurance group and a big buyer of government debt, said it was boycotting the Swedish bond market until the politicians found a viable solution to the country's debt problem.

This not only hurt Sweden's government bonds and currency to new lows for the year, but drew investors' attention to other high-deficit nations - including Belgium, which is nursing its highest debt-to-GDP ratio in Europe.

During last year's bond bonanza, markets were stubbornly wedded to the view that high deficits were conveniently masked by heavy borrowing from foreign - predominantly US - investors, who poured into European bonds on hopes of further falls in interest rates. The high-yielding markets, yields were

expected to continue carrying the burden of these flows.

But then early this year, the withdrawal of liquidity has exposed the problems that have been hidden by last year's heavy liquidity inflows, says Mr Malcolm Roberts, head of global bond research at UBS. As a result, yield convergence has been reduced to record levels.

According to OECD estimates, the Belgian debt-to-GDP ratio this year is likely to be a whopping 146.3 per cent. And while the country is running a primary budget surplus, the cost of servicing its debt is keeping its annual budget deficit at around 3.8 per cent of GDP.

While not alone in the Belgian league, Sweden's debt situation is also deteriorating rapidly. The country's gross public debt is set to reach 92.9 per cent of GDP this year, rising to 100.9 per cent next year, the OECD forecasts. Its budget deficit is expected to hit 10.7 per cent of GDP this year, down from last year's 12.9 per cent but still above initial fore-

casts, as rising interest rates have added to its servicing costs.

Political uncertainty ahead of Sweden's general election in September and referendum on European Union membership in November is further undermining confidence in its financial markets. In the run-up to the elections, the government is unlikely to take the political risk of raising taxes to reduce its deficit.

While most European governments have been weakening around the D-Mark, some of high-deficit countries have come under particular pressure. The Swedish krona fell to a new low of 8.40 per D-Mark last week; the Italian lira approached the key 14,000 per D-Mark level as the Berlusconi government continued to delay the publication of its budget plans; and the Belgian franc - usually as solid as the Rock - fell to around 252.70 per D-Mark, from 252.50 just two weeks earlier.

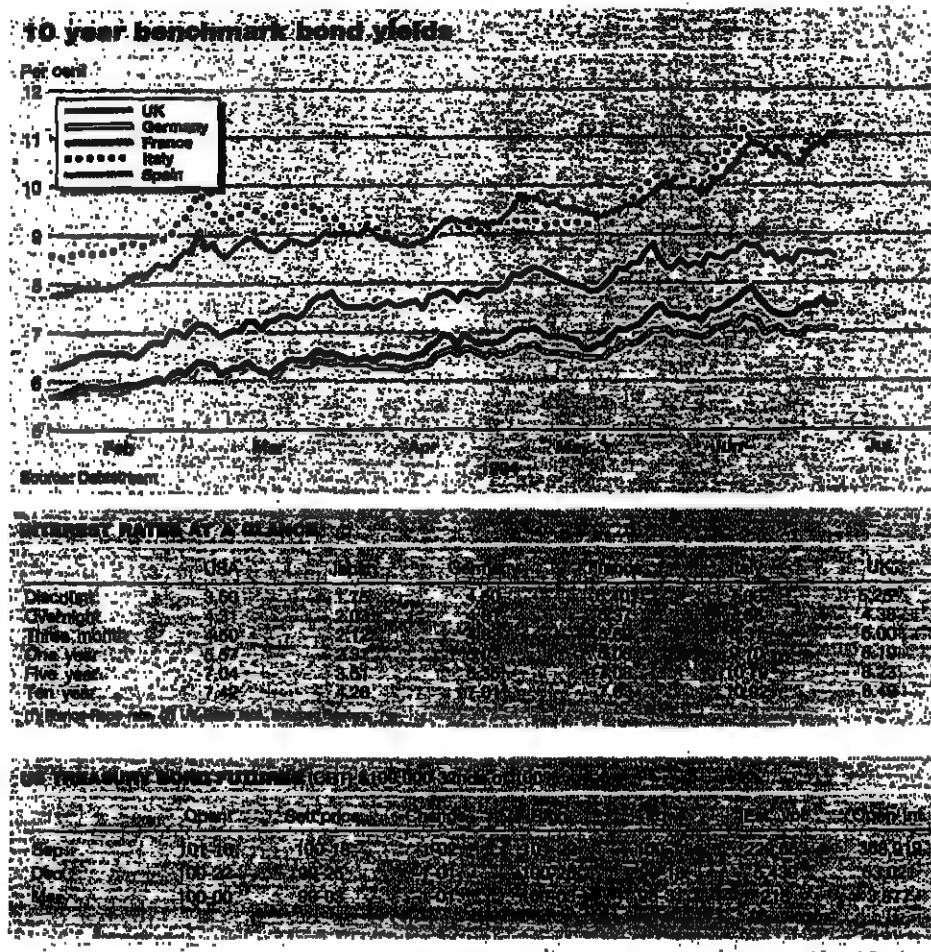
As a result of currency weakness, short-term money market rates in countries with high debt or political problems have risen. Swedish three-month money traded at 7.25 per cent on Friday, up from 6.75 per cent two weeks before; Belgian three-month money rose to 10.5 per cent; and Italian three-month money climbed to 8.81 from 7.25 per cent.

However, raising rates to protect the currency is no option - if anything, it compounds the problem by increasing the debt servicing cost. The only way out of the vicious circle is to undertake drastic fiscal tightening, says Mr Kokke. "Many governments still don't understand how serious the situation is, and now the markets are trying to force a solution."

While Warburg's analysts expect steady increases in long-term yields to continue, they say this constitutes an important part of the disinflationary process. As such, "real and nominal yields are rising to the point where they may (1) cause financial accident; (2) cause economic recovery; (3) force governments into more disciplined fiscal policy; or (4) bring about some combination of all three."

However, raising rates to protect the currency is no option - if anything, it compounds the problem by increasing the debt servicing cost. The only way out of the vicious circle is to undertake drastic fiscal tightening, says Mr Kokke. "Many governments still don't understand how serious the situation is, and now the markets are trying to force a solution."

While Warburg's analysts expect steady increases in long-term yields to continue, they say this constitutes an important part of the disinflationary process. As such, "real and nominal yields are rising to the point where they may (1) cause financial accident; (2) cause economic recovery; (3) force governments into more disciplined fiscal policy; or (4) bring about some combination of all three."



International / Graham Bowley

Buyers still shy of South Africa

South Africa's new government has worked hard to reassure international investors of its intention to keep its budget deficit firmly under control, and in a large extent it has been successful. But bond buyers may be slow to keep pace with the new South African reality.

The government's first budget on June 22 went a long way towards doing this. It was tough on public spending, with the budget deficit forecast to be 6.6 per cent of gross domestic product for the 1994 financial year, down from 9 per cent two years ago.

However, the sharp rise in bond yields on Tuesday following the resignation of Mr Christiaan van der Merwe, the man largely responsible for proving South Africa's fiscal credentials, is a measure of how nervous the market remains.

The government's decision to hold on to its reserves as a buffer against inflation and development, will over time help to fund the growing budget deficit it might then be tempted to print money, so fuelling inflation, or issue more bonds in world markets, so driving up yields.

However, South African government bond yields have risen almost 3 percentage points to almost 15 per cent since the start of the year and only part of this increase can be explained by these fears.

The rise in yields is due mainly to the fall in world bond markets; South Africa, like most of the world, has been buffeted by worries about strengthening global economic recovery and rising world inflation.

This is understandable, since in South Africa it is international investors who on the margin are the main influence on bond yields, and increasingly so as more foreign investors are tempted into the newly open economy.

At the end of 1992, the South African public sector bond market was roughly the equivalent of \$6.4bn in size, about the same as Australia's. Although most of the country's government bonds are owned by domestic investors, they are constrained by foreign exchange controls and tend to hold on to bonds to maturity rather than trade them.

It is therefore unlikely that South African bond yields will fall back until international sentiment improves and bond yields, especially in the US, decline.

The economy came out of a two-year recession last year and is expected to grow by

more than 3 per cent this year, boosted in part by overseas investment and by export growth after years of an international boycott.

Inflation has fallen significantly from the double digit of the 1980s, to 10 per cent in May, and although with renewed economic growth it may not fall further to fall, it is still declining, which will have a beneficial impact on the bond market.

This relatively bright outlook for South African bond market, however, has to be tempered with caution as the situation could turn sour.

The money supply is expanding rapidly - M1 grew by a preliminary 22.8 per cent in the year to March - an indication that inflation may be more of a problem in the future. That could mean a serious test of the Reserve Bank's, and governor Chris Stals', autonomy at a time when the new government will not be keen to see a rise in interest rates.

A further risk is political. So far, the new government of national unity has worked well. But the pressure on the administration is tremendous and the expectations of the formerly disenfranchised population are great; conflicts between the finance ministry and other government departments on spending levels may be unavoidable.

The role of Mr Christo van der Merwe, who will succeed Mr Keyes as finance minister later this year, will be of primary importance. An experienced banker, with no formal political affiliations, his appointment shows the government intends to keep a firm hold on public spending.

However, he lacks Mr Keyes' powerful personality, and without Mr Keyes' carefully nurtured relationship with top figures in the African National Congress, he may not command the same respect in the new government.

"There may be a change of style, but there won't be a change of direction," Mr F.W. de Klerk, deputy president, said last week.

With such unlikely influences in the African National Congress, the financial markets will take some convincing. There is no doubt that international investors will be watching developments closely, even more so after being unnerved by Mr Keyes' departure.

As it steps up its efforts to acquire an international credit rating in an attempt to bring in the international capital markets, the government may, therefore, be even stricter than it would have been with its public finances and implement the spending controls proposed in Mr Keyes' last budget in full.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount	Maturity	Coupon %	Price	Yield %	Launch spread bps	Book name	Currency	Amount	Maturity	Coupon %	Price	Yield %	Launch spread bps	Book name
US DOLLARS															
Algeria / Sweden	300	Aug 1999	6.25	98.078	6.25	100.00	Standard & Poor	ITALIAN LIRE							
Bank of China	250	Aug 1997	6.30	98.953	6.68	+6 65%-77	Sales Bank Corp.	Commerzbank Finance	3000a	Aug 1999	10.00	99.628	10.83	-	RAI Bank Luxembourg
BK Hong Kong Branch/BK	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance	2000a	Aug 1999	10.25	99.778	10.70	-	Deutsche Bank London
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance	2000a	Aug 1999	10.00	101.10	10.35	-	Deutsche Bank London
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance	1000a	Jun 2000	10.40	97.20	-	-	Deutsche Bank London
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance							
China Development Bank	100	Jan 1999	6.10	97.728	-	-	Deutsche Bank Finance	Deutsche Bank Finance</							

EQUITY MARKETS: This Week

NEW YORK

Patrick Harverson

Results could give share prices a boost

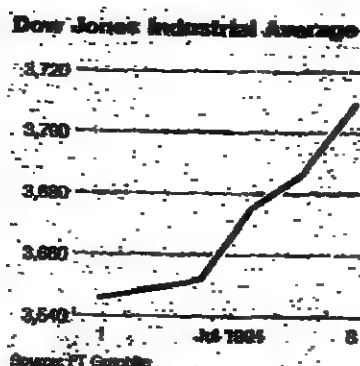
The second-quarter corporate results season opens in earnest this week and investors await news of company earnings with the usual mixture of hope and trepidation.

Judging by recent buying patterns, however, some investors believe good earnings are around the corner. If they are right, share prices will receive a much-needed boost at a time when the Federal Reserve could be poised to sanction another demand-sapping increase in interest rates.

The highest hopes are for strong second-quarter earnings have focused on the big industrial companies whose profits are tied closely to the movements of the economic cycle. Because of recent evidence (including last week's June employment report) pointing to a more expansionary second-quarter economy than expected, investors have been buying up cyclical stocks in the past few days.

Motor vehicle manufacturers have been especially buoyant lately, cheered by forecasts from analysts of quarterly earnings that could be double those seen a year ago. Wall Street is bullish on the sector because it believes improved North American sales and a sustained focus on cost-cutting will have combined to produce significantly improved profits.

Two other sectors likely to have benefited from the strong pace of economic growth are long-distance telecommunications and rail transportation. Analysts predict that at the major phone companies, overall calling volumes will have grown about 9 per cent in the quarter.



The big railroad companies have also been reaping the benefits of a healthy economy, with rising freight-rail traffic boosting revenue growth.

The news is unlikely to be so positive in the financial sector, primarily because in an environment of low interest rates, the earnings of banks and securities brokerages almost always suffer.

Securities firms, in particular, are likely to be reporting sharply lower second-quarter earnings than a year ago, when the lowest interest rates in 30 years were fuelling an unprecedented boom in Wall Street profits.

In the commercial banking industry, the earnings growth, which has been on a steady upward path for the past two years, is unlikely to show as sharp a retraction as in the securities industry. However, some sort of slowdown is expected, particularly at the big money-centre banks which are also active traders in the financial markets.

Overall, the outlook for corporate profits remains bright. The only question this week is whether investors will be able to focus on earnings with the threat of an interest rate increase hanging over their heads.

LONDON

Terry Byland

Strategists put new emphasis on growth

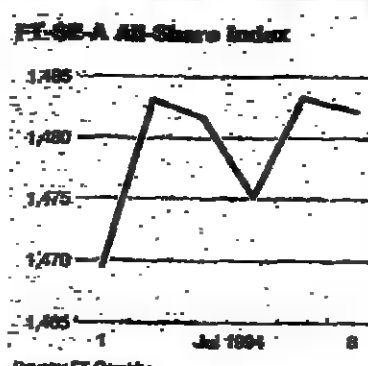
If only the US dollar can at least stay in line this week, the London market can rely on support from most of the leading market strategists, even if the buyers still appear somewhat less convinced.

The threat to global interest rates looks less menacing than a month ago, and dividend and earnings growth reinforce forecasts of a gain of around 11 per cent on the Footsie by the year-end.

Not that the danger of renewed upsets in the bond markets is entirely consigned to history. BZW uses bond market doubts as its reason for cutting its 1994 Footsie forecast to 3,400. Its previous year-end target of 3,600 was at the higher end of what may perhaps be called the serious market range. But BZW explains its move by saying it is "putting greater emphasis on the momentum from growth".

"Growth" has strengthened its role as the underlying theme of most strategists' views as the tensions surrounding global interest rates have appeared to lessen. S.G. Warburg, sticking with its 1994 forecast of Footsie 3,500, believes that the response to last week's industrial output statistics indicates that the market is no longer afraid that economic growth merely threatens higher interest rates.

Dividend prospects are stressed by BZW, which estimates dividend growth of 10 per cent this year with the likelihood of similar improvement next year. This would put the stock market yield at 4.2 per cent which would widen the yield gap against bonds



substantially, even without any retraction of the rise in gilt yields seen so far this year.

BZW also points out that this month traditionally gives institutions their biggest injection of dividend income for the calendar year. With dividends already showing growth of around 6 per cent this year, suggestions of a liquidity squeeze on the institutions could prove a snare. Strauss Turnbull, aiming for a Footsie of 3,200-3,400 this year, similarly holds to its view that strong economic growth, backed up by accelerating dividends and corporate earnings, will wipe away the gloom of the uninspiring equity market performance in the second quarter.

A heavyweight among the bull case is presented by Hoare Govett which, with a Footsie forecast of 3,500, is among the more aggressive market champions. Hoare rejects bond market worries: "Gilt... more than discount the rise in inflation over the next two years," core inflation "only 3 per cent at the end of next year," and the fashion for index-linked gilt yields "too high".

This is all very encouraging. The question to be answered is whether it will stand up if the dollar gets into trouble again.

International offerings / Emiko Terazono

Amway sparks interest in global Japanese issues

Last month's global offering by Amway Japan, the Japanese arm of the US home care products group, attracted a wide range of international buyers. As the first international offering by a Japanese company for more than two years, the deal has sparked interest in global issues among other Japanese companies.

A well-known name, a stable profits record and extensive presentations to investors have been attributed as the ingredients for the deal's success. Securities analysts point out there has recently been clear interest in Japanese issues among international investors in the UK, Europe and Hong Kong.

Many Japanese companies have now begun to look at the UK as a potential market for funds. According to the Ministry of Finance, net purchases of Japanese shares by overseas investors totalled a record £1.1bn during the first three months of the year.

"We have seen a lot of Japanese companies currently looking at the UK as a market for funds," said an official at Morgan Stanley Japan.

The Japanese government has increasingly restrained its financial flows following sharp falls in the yen.

investment profits, international investors are likely to be all the more interested in the Japanese companies.

Earlier this month Nippon Telegraph and Telephone, the country's partially privatised telecommunications operator, announced it was applying to list on the London and New York stock exchanges to enhance its profile among the global financial community.

Although the listings themselves are directly linked to a capital-raising programme, it has given the ministry of finance, which still owns two-thirds of NTT, the option to offer its holdings on the two exchanges.

Smaller Japanese companies are also trying to increase their appeal to international investors. Daiichi Sankyo bought a net \$4.17bn in over-the-counter stocks last year, 3.8 times that of the previous year. Many investors have picked up Japanese shares since the strong growth potential as a part of their emerging market portfolios.

The increase in initial public offerings following the lifting of restrictions earlier this year, has also helped boost investments in OTC companies.

Thomas Norton Associates, a US investment research company specialising in Japanese

OTC stocks, which is organising a seminar introducing the Japanese and presidents of Japanese over-the-counter funds to US fund managers, said interest from both companies and investors has been high.

At the same time, analysts point out that some of the Japanese OTC companies are looking to list on the US Nasdaq exchange to widen their capital-raising abilities.

But in Japan, the domestic public offerings market remains tightly regulated by the ministry of finance. The concept of pre-announcement or roadshows does not exist, and investors looking for information are largely hedged in bureaucracy.

Foreign investment points out the difficulty in selling shares in bulk due to the number of investors which limit the number of investors can acquire in a public offering. Bank regulations increase the risk for underwriters.

The restrictions, say foreign investment banks, pose a threat to Tokyo's status as a leading financial centre.

Japanese companies have long raised capital on overseas bond markets as a result of the tightly regulated domestic market. It may not be long before a similar trend develops within global equity markets.

OTHER MARKETS

JOHANNESBURG

Investors will be hoping that last week's falls, following the resignation of the respected finance minister, Mr Derek Keys, will prove transient and the long bull market will resume its upward trend, writes Mark Szymanski.

After outperforming all other major bourses in the three months to June, Mr Keys' sudden departure pushed the Johannesburg market into reverse.

However, with a competent and reliable successor named, former banker Mr Christo Lehenberg, brokers will be hoping that the focus shifts away from government and

back to the anticipated flow of foreign funds to the market following its recent inclusion on some important emerging market indices.

Helping the return to normality will be the announcement of the latest quarterly results from the country's gold industry.

Gold Fields, one of the big mining houses, will be reporting its June quarter results today.

Analysts caution that although the weaker rand will have helped production, its effect will have been offset by work stoppages at major mines over the election period. "Absolutely impossible to gauge," says Mr Bruce Williamson of JD Anderson.

FRANKFURT

Shares in Siemens, the electrical and electronics multinational, were under pressure on Friday ahead of eight-month figures due to be announced today.

At the half-way stage, the group reported a 16 per cent fall in domestic sales, offset by strengthening foreign business which left group net earnings flat.

Karstadt, the retailer, holds its annual shareholders meeting on Wednesday.

Last month, Germany's biggest retailer following the recent purchase of Herbol, reported that group turnover in the first five months of this year soared by 21.7 per cent.

ZURICH

Six-month sales figures could be on the way from Roche late this week or early next, with analysts forecasting group sales, expressed in local currencies, to have risen by 10 to 12 per cent in the first half, after a 12 per cent increase in the first quarter.

Expressed in the relatively strong Swiss franc, first-half sales should have risen by 5 to 6 per cent.

An 18 per cent increase in net profit is forecast for 1994. Last week, Roche certificates tumbled after Mr Andrew Tiverton at James Capel in London downgraded the issue to a hold after five years on the buy list.

MILAN

The market will be hoping to regain some momentum after publication, promised for mid-week, of the long delayed details of the government's budget proposals.

The market also looked fragile towards the end of last week after rumours, subsequently denied, of government splits and ministerial resignations.

Directors of Ciga are expected to bring to an end the battle for control of the hotels group tomorrow by handing over effective control to IRI, the US group which owns the Sheraton hotel chain and which has a direct stake of only 17.4 per cent.

MADRID

Second-quarter results are expected from Banco Popular tomorrow. Hoare Govett views the bank as possibly the most compelling buy case in the European banking sector.

By concentrating almost exclusively on domestic retail business which offers the most attractive terms within the banking industry, Popular has avoided diluting its returns by diversifying into lower yielding activities and markets.

Far from rendering it more vulnerable to competitive pressures, this tight focus gives Popular a significant competitive advantage, the broker says.

TOKYO

Investor confidence will largely remain dependent on the strength of the yen against the US dollar, as a higher Japanese currency is seen as a threat to economic recovery and to the competitiveness of the country's exporters, writes Emiko Terazono.

Economic data expected this week will provide evidence that the country's recovery remains weak.

In spite of a record low official discount rate, the benefits of low interest rates are barely filtering down to the real economy, since bank lending rates are still high due to the rise in long-term bond yields.

Meanwhile, with most investors sidelined in such an unpromising environment, trading is likely to be dominated by technical activity led by the arbitrageurs.

Even overseas investors, who have been the leading supporters of Japanese shares, are starting to take profits to take advantage of the higher yen.

Foreign investors were net sellers for the second consecutive week during June 27 to July 1 and traders expect the trend to continue as long as the yen maintains its current level against the dollar.

Compiled by Michael Morgan

Southwark Jubilee

An Open Invitation

20 July 1994 at Hay's Galleria 9am - 7pm

The London Borough of Southwark invites you to Hay's Galleria to celebrate the Jubilee Line extension project which will open up four new stations across the Borough early 1998.

Visit Hay's Galleria, see the exhibition, live music and street entertainment - see how much Southwark has changed.



Opening up major opportunities for investors, developers and businesses with improved links to the City, West End and Docklands. The Jubilee Line is a track to Southwark's future and a gateway to the new Channel Tunnel into Europe.

Get on board with Southwark

For information telephone 071 625 6255

Southwark Jubilee is supported by South Thames Training & Enterprise Council, London Docklands Development Corporation, Southwark Chamber

CONTRACTS & TENDERS

HUNGARY

INVITATION TO TENDER for building an Air Traffic Services Center

The Air Traffic and Airport Administration of the Ministry of Transport, Communications and Water Management of the Republic of Hungary is announcing a single-round open tender for organisations or enterprises who are capable of designing and building as well as installing the technological equipment of the central building of the Hungarian Air Traffic Services Center under the terms of a Prime Contract. The Republic of Hungary has signed a finance contract with the European Investment Bank (EIB) for the partial financing of the project.

The tender is open, under the same conditions, to all firms (natural persons or corporate bodies) from at least the member countries of the European Union (EU) and Hungary. Detailed Tender Documents will be available on payment of 100,000 HUF from 15 July 1994, between 9.00 am and 1.00 pm on working days, at the address given below.

The documents of the present Invitation to Tender will be available in Hungarian and English copies. Both versions are considered as equivalent in every respect. Each Tenderer will be entitled to receive only one copy in one of the languages for the paid amount.

"LÉGIFORGALMI ÉS REPÜLTŐTERI IGAZGATÓSÁG" (AIR TRAFFIC AND AIRPORT ADMINISTRATION)

Postal: H-1675 Budapest-Ferőhgy, P.O. 53
Contact person: Dr. József Farkas, Head of the Investment Department
Telephone No: (36) 1-157-54-87; (36) 1-157-61-81; Telex No: 22-64-78

The payment shall be made to the credit of account No 232-90173-2825, which is administered by the National Bank of Hungary. Payments in cash will also be accepted on the purchase site.

The Bids shall be submitted not later than 12.00 o'clock L.T. 17 October, 1994, at ATAA, Investment Department, Secretariat.

Time of Bid opening: 13.00 L.T. 17 October 1994
Location of Bid opening: Ferőhgy Airport, conference room
Date of Tender assessment: 13.00 L.T. 01 December 1994
Location of Tender assessment: as above
Start of building: 01 December 1994
End of building: 01 December 1996

Air Traffic and Airport Administration

New Issue
July 11, 1994

Having been this announcement as a matter of only.



The Republic of Argentina

DM 500,000,000
8% Bonds of 1994/1997

Repayment: July 11, 1997
Listing: Frankfurt am Main

DEUTSCHE BANK
AKTIENGESELLSCHAFTCS FIRST BOSTON
EFFECTENBANK AKTIENGESELLSCHAFTBAYERISCHE LANDESBANK
GIROZENTRALEDG BANK
DEUTSCHE

J. F. MORGAN GMBH

SCHWEIZERISCHE BANKGESELLSCHAFT
(DEUTSCHLAND) AGSCHWEIZERISCHER BANKVEREIN
(DEUTSCHLAND) AGWESTDEUTSCHE LANDESBANK
GIROZENTRALEABN AMRO BANK
(DEUTSCHLAND) AGBANCO FRANCES
DEL RIO DE LA PLATA S.A.

BANCO DE GALICIA

BANKERS TRUST INTERNATIONAL PLC
FRANKFURT BRANCH

BANQUE INDOSUEZ CAPITAL

BAYERISCHE HYPOTHEKEN-
UND WECHSEL-BANK AGBAYERISCHE VEREINSBANK
AKTIENGESELLSCHAFT

BHF-BANK

CHASE BANK AG

CHEMICAL BANK AG

CITIBANK AG

COMMERZBANK
AKTIENGESELLSCHAFT

MERRILL LYNCH BANK AG

NOMURA BANK
(DEUTSCHLAND) GMBH

SALOMON BROTHERS AG

Currency or Bond Fax - FREE 2 trial
also daily gold and silver prices
1-800-451-7174
Fax: 011-734 7174
Fax: 011-734 7174
Fax: 011-734 7174

OptionTrader
Options by INDEXIA
Tel: (0442) 876015 Fax: (0442) 876015

Technical Analysis Software
INDEXIA
Tel: (0442) 876015 Fax: (0442) 876015

FutureSource - Now available... New FX service!
Tel: (0442) 876015 Fax: (0442) 876015

FINANCIAL TIMES MONDAY JULY 11 1994

To conquer the EC information mountain, you need an expert guide.

Get the information advantage by reading the Financial Times every day. We cover the latest European, US and international news and analyse the implications

[illegible]

**To conquer the EC
information mountain,
you need
an expert guide.**

Get the information advantage by reading the Financial Times every day. We cover the latest European, US and international news and analyse the implications from a truly European perspective to help you understand what is new for you and your business.

It is no surprise then that the Financial Times is read by more top business executives in Europe than any other publication.* Make sure you are one of them by getting your own copy of the FT delivered daily to your home or office.

To order simply complete the attached coupon and return it to Gillian Hart, Financial Times (Europe) GmbH, Nibelungenplatz 3, 60011 Frankfurt/Main, Germany. Tel. +49 69 110 111. Or you can still fax your order back to us on +49 69 596 4483 and enjoy the first 12 issues of the subscription completely free.

FT ✕

To: Gillian Hart, Times (Europet GmbH, Nibelungenplatz 3, 11111 Berlin, Germany.
Tel. +49 69 156 850, Tlx. 416193, Fax. +49 69 596 1111

ÖES 5,800	FRF 2,040	DFL 875	Sweden	SEK 1,100
Belgium 13,500	Germany DM 750	Norway NOK 3,220	Switzerland	SFR 710
DKK 3,200	Italy LIT 600,000	Portugal ESC 60,000		
FRM 2,200	Luxembourg LFR 13,500			

[illegible]

Currency rates are only valid for the country in which they are quoted. Subscription Prices are correct at time of going to press. Prices are exclusive of VAT in EC countries except Germany and France. FT VAT No. DE1 111 111 111

To subscribe to the FT in North America contact New York Tel 7524500, Fax 3082397, For East coast contact Tokyo Tel 33051711, 33051712

Please tick here for more information about 6 and 24 month subscription rates, or rates for a country not listed opposite.

Please specify: _____

Company _____ Tel _____
 _____ to which I would like my Financial Times delivered: _____

VAT No _____

Financial Times. Europe's Business Newspaper.

100

AUTHORIZED Callers must use 800-368-4000 and key in a 5 digit code listed **CALLS** are charged at 39p/minute cheap rate and 49p/minute at all other times. International access available by subscription only. For more details call the FT Cityline Help Desk on 071-873 4378.

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]

456261	456262	456263	456264	456265	456266	456267	456268	456269	456270	456271	456272	456273	456274	456275	456276	456277	456278	456279	456280	456281	456282	456283	456284	456285	456286	456287	456288	456289	456290	456291	456292	456293	456294	456295	456296	456297	456298	456299	456300	456301	456302	456303	456304	456305	456306	456307	456308	456309	456310	456311	456312	456313	456314	456315	456316	456317	456318	456319	456320	456321	456322	456323	456324	456325	456326	456327	456328	456329	456330	456331	456332	456333	456334	456335	456336	456337	456338	456339	456340	456341	456342	456343	456344	456345	456346	456347	456348	456349	456350	456351	456352	456353	456354	456355	456356	456357	456358	456359	456360	456361	456362	456363	456364	456365	456366	456367	456368	456369	456370	456371	456372	456373	456374	456375	456376	456377	456378	456379	456380	456381	456382	456383	456384	456385	456386	456387	456388	456389	456390	456391	456392	456393	456394	456395	456396	456397	456398	456399	456400	456401	456402	456403	456404	456405	456406	456407	456408	456409	456410	456411	456412	456413	456414	456415	456416	456417	456418	456419	456420	456421	456422	456423	456424	456425	456426	456427	456428	456429	456430	456431	456432	456433	456434	456435	456436	456437	456438	456439	456440	456441	456442	456443	456444	456445	456446	456447	456448	456449	456450	456451	456452	456453	456454	456455	456456	456457	456458	456459	456460	456461	456462	456463	456464	456465	456466	456467	456468	456469	456470	456471	456472	456473	456474	456475	456476	456477	456478	456479	456480	456481	456482	456483	456484	456485	456486	456487	456488	456489	456490	456491	456492	456493	456494	456495	456496	456497	456498	456499	456500	456501	456502	456503	456504	456505	456506	456507	456508	456509	456510	456511	456512	456513	456514	456515	456516	456517	456518	456519	456520	456521	456522	456523	456524	456525	456526	456527	456528	456529	456530	456531	456532	456533	456534	456535	456536	456537	456538	456539	456540	456541	456542	456543	456544	456545	456546	456547	456548	456549	456550	456551	456552	456553	456554	456555	456556	456557	456558	456559	456560	456561	456562	456563	456564	456565	456566	456567	456568	456569	456570	456571	456572	456573	456574	456575	456576	456577	456578	456579	456580	456581	456582	456583	456584	456585	456586	456587	456588	456589	456590	456591	456592	456593	456594	456595	456596	456597	456598	456599	456600	456601	456602	456603	456604	456605	456606	456607	456608	456609	456610	456611	456612	456613	456614	456615	456616	456617	456618	456619	456620	456621	456622	456623	456624	456625	456626	456627	456628	456629	456630	456631	456632	456633	456634	456635	456636	456637	456638	456639	456640	456641	456642	456643	456644	456645	456646	456647	456648	456649	456650	456651	456652	456653	456654	456655	456656	456657	456658	456659	456660	456661	456662	456663	456664	456665	456666	456667	456668	456669	456670	456671	456672	456673	456674	456675	456676	456677	456678	456679	456680	456681	456682	456683	456684	456685	456686	456687	456688	456689	456690	456691	456692	456693	456694	456695	456696	456697	456698	456699	456700	456701	456702	456703	456704	456705	456706	456707	456708	456709	456710	456711	456712	456713	456714	456715	456716	456717	456718	456719	456720	456721	456722	456723	456724	456725	456726	456727	456728	456729	456730	456731	456732	456733	456734	456735	456736	456737	456738	456739	456740	456741	456742	456743	456744	456745	456746	456747	456748	456749	456750	456751	456752	456753	456754	456755	456756	456757	456758	456759	456760	456761	456762	456763	456764	456765	456766	456767	456768	456769	456770	456771	456772	456773	456774	456775	456776	456777	456778	456779	456780	456781	456782	456783	456784	456785	456786	456787	456788	456789	456790	456791	456792	456793	456794	456795	456796	456797	456798	456799	456800	456801	456802	456803	456804	456805	456806	456807	456808	456809	456810	456811	456812	456813	456814	456815	456816	456817	456818	456819	456820	456821	456822	456823	456824	456825	456826	456827	456828	456829	456830	456831	456832	456833	456834	456835	456836	456837	456838	456839	456840	456841	456842	456843	456844	456845	456846	456847	456848	456849	456850	456851	456852	456853	456854	456855	456856	456857	456858	456859	456860	456861	456862	456863	456864	456865	456866	456867	456868	456869	456870	456871	456872	456873	456874	456875	456876	456877	456878	456879	456880	456881	456882	456883	456884	456885	456886	456887	456888	456889	456890	456891	456892	456893	456894	456895	456896	456897	456898	456899	456900	456901	456902	456903	456904	456905	456906	456907	456908	456909	456910	456911	456912	456913	456914	456915	456916	456917	456918	456919	456920	456921	456922	456923	456924	456925	456926	456927	456928	456929	456930	456931	456932	456933	456934	456935	456936	456937	456938	456939	456940	456941	456942	456943	456944	456945	456946	456947	456948	456949	456950	456951	456952	456953	456954	456955	456956	456957	456958	456959	456960	456961	456962	456963	456964	456965	456966	456967	456968	456969	456970	456971	456972	456973	456974	456975	456976	456977	456978	456979	456980	456981	456982	456983	456984	456985	456986	456987	456988	456989	456990	456991	456992	456993	456994	456995	456996	456997	456998	456999	457000	457001	457002	457003	457004	457005	457006	457007	457008	457009	457010	457011	457012	457013	457014	457015	457016	457017	457018	457019	457020	457021	457022	457023	457024	457025	457026	457027	457028	457029	457030	457031	457032	457033	457034	457035	457036	457037	457038	457039	457040	457041	457042	457043	457044	457045	457046	457047	457048	457049	457050	457051	457052	457053	457054	457055	457056	457057	457058	457059	457060	457061	457062	457063	457064	457065	457066	457067	457068	457069	457070	457071	457072	457073	457074	457075	457076	457077	457078	457079	457080	457081	457082	457083	457084	457085	457086	457087	457088	457089	457090	457091	457092	457093	457094	457095	457096	457097	457098	457099	457100	457101	457102	457103	457104	457105	457106	457107	457108	457109	457110	457111	457112	457113	457114	457115	457116	457117	457118	457119	457120	457121	457122	457123	457124	457125	457126	457127	457128	457129	457130	457131	457132	457133	457134	457135	457136	457137	457138	457139	457140	457141	457142	457143	457144	457145	457146	457147	457148	457149	457150	457151	457152	457153	457154	457155	457156	457157	457158	457159	457160	457161	457162	457163	457164	457165	457166	457167	457168	457169	457170	457171	457172	457173	457174	457175	457176	457177	457178	457179	457180	457181	457182	457183	457184	457185	457186	457187	457188	457189	457190	457191	457192	457193	457194	457195	457196	457197	457198	457199	457200	457201	457202	457203	457204	457205	457206	457207	457208	457209	457210	457211	457212	457213	457214	457215	457216	457217	457218	457219	457220	457221	457222	457223	457224	457225	457226	457227	457228	457229	457230	457231	457232	457233	457234	457235	457236	457237	457238	457239	457240	457241	457242	457243	457244	457245	457246	457247	457248	457249	457250	457251	457252	457253	457254	457255	457256	457257	457258	457259	457260	457261	457262	457263	457264	457265	457266	457267	457268	457269	457270	457271	457272	457273	457274	457275	457276	457277	457278	457279	457280	457281	457282	457283	457284	457285	457286	457287	457288	457289	457290	457291	457292	457293	457294	457295	457296	457297	457298	457299	457300	457301	457302	457303	457304	457305	457306	457307	457308	457309	457310	457311	457312	457313	457314	457315	457316	457317	457318	457319	457320	457321	457322	457323	457324	457325	457326	457327	457328	457329	457330	457331	457332	457333	457334	457335	457336	457337	457338	457339	457340	457341	457342	457343	457344	457345	457346	457347	457348	457349	457350	457351	457352	457353	457354	457355	457356	457357	457358	457359	457360	457361	457362	457363	457364	457365	457366	457367	457368	457369	457370	457371	457372	457373	457374	457375	457376	457377	457378	457379	457380	457381	457382	457383	457384	457385	457
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-----

17	17
18	18
19	19
20	20
21	21
22	22
23	23
24	24
25	25
26	26
27	27
28	28
29	29
30	30
31	31
32	32
33	33
34	34
35	35
36	36
37	37
38	38
39	39
40	40
41	41
42	42
43	43
44	44
45	45
46	46
47	47
48	48
49	49
50	50
51	51
52	52
53	53
54	54
55	55
56	56
57	57
58	58
59	59
60	60
61	61
62	62
63	63
64	64
65	65
66	66
67	67
68	68
69	69
70	70
71	71
72	72
73	73
74	74
75	75
76	76
77	77
78	78
79	79
80	80
81	81
82	82
83	83
84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

[illegible][illegible]

1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583	582	581	580	579	578	577	576	575	574	573	572	571	570	569	568	567	566	565	564
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

[illegible][illegible][illegible][illegible][illegible]

1500
 1501
 1502
 1503
 1504
 1505
 1506
 1507
 1508
 1509
 1510
 1511
 1512
 1513
 1514
 1515
 1516
 1517
 1518
 1519
 1520
 1521
 1522
 1523
 1524
 1525
 1526
 1527
 1528
 1529
 1530
 1531
 1532
 1533
 1534
 1535
 1536
 1537
 1538
 1539
 1540
 1541
 1542
 1543
 1544
 1545
 1546
 1547
 1548
 1549
 1550
 1551
 1552
 1553
 1554
 1555
 1556
 1557
 1558
 1559
 1560
 1561
 1562
 1563
 1564
 1565
 1566
 1567
 1568
 1569
 1570
 1571
 1572
 1573
 1574
 1575
 1576
 1577
 1578
 1579
 1580
 1581
 1582
 1583
 1584
 1585
 1586
 1587
 1588
 1589
 1590
 1591
 1592
 1593
 1594
 1595
 1596
 1597
 1598
 1599
 1600
 1601
 1602
 1603
 1604
 1605
 1606
 1607
 1608
 1609
 1610
 1611
 1612
 1613
 1614
 1615
 1616
 1617
 1618
 1619
 1620
 1621
 1622
 1623
 1624
 1625
 1626
 1627
 1628
 1629
 1630
 1631
 1632
 1633
 1634
 1635
 1636
 1637
 1638
 1639
 1640
 1641
 1642
 1643
 1644
 1645
 1646
 1647
 1648
 1649
 1650
 1651
 1652
 1653
 1654
 1655
 1656
 1657
 1658
 1659
 1660
 1661
 1662
 1663
 1664
 1665
 1666
 1667
 1668
 1669
 1670
 1671
 1672
 1673
 1674
 1675
 1676
 1677
 1678
 1679
 1680
 1681
 1682
 1683
 1684
 1685
 1686
 1687
 1688
 1689
 1690
 1691
 1692
 1693
 1694
 1695
 1696
 1697
 1698
 1699
 1700
 1701
 1702
 1703
 1704
 1705
 1706
 1707
 1708
 1709
 1710
 1711
 1712
 1713
 1714
 1715
 1716
 1717
 1718
 1719
 1720
 1721
 1722
 1723
 1724
 1725
 1726
 1727
 1728
 1729
 1730
 1731
 1732
 1733
 1734
 1735
 1736
 1737
 1738
 1739
 1740
 1741
 1742
 1743
 1744
 1745
 1746
 1747
 1748
 1749
 1750
 1751
 1752
 1753
 1754
 1755
 1756
 1757
 1758
 1759
 1760
 1761
 1762
 1763
 1764
 1765
 1766
 1767
 1768
 1769
 1770
 1771
 1772
 1773
 1774
 1775
 1776
 1777
 1778
 1779
 1780
 1781
 1782
 1783
 1784
 1785
 1786
 1787
 1788
 1789
 1790
 1791
 1792
 1793
 1794
 1795
 1796
 1797
 1798
 1799
 1800
 1801
 1802
 1803
 1804
 1805
 1806
 1807
 1808
 1809
 1810
 1811
 1812
 1813
 1814
 1815
 1816
 1817
 1818
 1819
 1820
 1821
 1822
 1823
 1824
 1825
 1826
 1827
 1828
 1829
 1830
 1831
 1832
 1833
 1834
 1835
 1836
 1837
 1838
 1839
 1840
 1841
 1842
 1843
 1844
 1845
 1846
 1847
 1848
 1849
 1850
 1851
 1852
 1853
 1854
 1855
 1856
 1857
 1858
 1859
 1860
 1861
 1862
 1863
 1864
 1865
 1866
 1867
 1868
 1869
 1870
 1871
 1872
 1873
 1874
 1875
 1876
 1877
 1878
 1879
 1880
 1881
 1882
 1883
 1884
 1885
 1886
 1887
 1888
 1889
 1890
 1891
 1892
 1893
 1894
 1895
 1896
 1897
 1898
 1899
 1900
 1901
 1902
 1903
 1904
 1905
 1906
 1907
 1908
 1909
 1910
 1911
 1912
 1913
 1914
 1915
 1916
 1917
 1918
 1919
 1920
 1921
 1922
 1923
 1924
 1925
 1926
 1927
 1928
 1929
 1930
 1931
 1932
 1933
 1934
 1935
 1936
 1937
 1938
 1939
 1940
 1941
 1942
 1943
 1944
 1945
 1946
 1947
 1948
 1949
 1950
 1951
 1952
 1953
 1954

[illegible][illegible][illegible]

Aluminum	72.30	72.20	72.10	72.00	71.90	71.80	71.70	71.60	71.50	71.40	71.30	71.20	71.10	71.00	70.90	70.80	70.70	70.60	70.50	70.40	70.30	70.20	70.10	70.00	69.90	69.80	69.70	69.60	69.50	69.40	69.30	69.20	69.10	69.00	68.90	68.80	68.70	68.60	68.50	68.40	68.30	68.20	68.10	68.00	67.90	67.80	67.70	67.60	67.50	67.40	67.30	67.20	67.10	67.00	66.90	66.80	66.70	66.60	66.50	66.40	66.30	66.20	66.10	66.00	65.90	65.80	65.70	65.60	65.50	65.40	65.30	65.20	65.10	65.00	64.90	64.80	64.70	64.60	64.50	64.40	64.30	64.20	64.10	64.00	63.90	63.80	63.70	63.60	63.50	63.40	63.30	63.20	63.10	63.00	62.90	62.80	62.70	62.60	62.50	62.40	62.30	62.20	62.10	62.00	61.90	61.80	61.70	61.60	61.50	61.40	61.30	61.20	61.10	61.00	60.90	60.80	60.70	60.60	60.50	60.40	60.30	60.20	60.10	60.00	59.90	59.80	59.70	59.60	59.50	59.40	59.30	59.20	59.10	59.00	58.90	58.80	58.70	58.60	58.50	58.40	58.30	58.20	58.10	58.00	57.90	57.80	57.70	57.60	57.50	57.40	57.30	57.20	57.10	57.00	56.90	56.80	56.70	56.60	56.50	56.40	56.30	56.20	56.10	56.00	55.90	55.80	55.70	55.60	55.50	55.40	55.30	55.20	55.10	55.00	54.90	54.80	54.70	54.60	54.50	54.40	54.30	54.20	54.10	54.00	53.90	53.80	53.70	53.60	53.50	53.40	53.30	53.20	53.10	53.00	52.90	52.80	52.70	52.60	52.50	52.40	52.30	52.20	52.10	52.00	51.90	51.80	51.70	51.60	51.50	51.40	51.30	51.20	51.10	51.00	50.90	50.80	50.70	50.60	50.50	50.40	50.30	50.20	50.10	50.00	49.90	49.80	49.70	49.60	49.50	49.40	49.30	49.20	49.10	49.00	48.90	48.80	48.70	48.60	48.50	48.40	48.30	48.20	48.10	48.00	47.90	47.80	47.70	47.60	47.50	47.40	47.30	47.20	47.10	47.00	46.90	46.80	46.70	46.60	46.50	46.40	46.30	46.20	46.10	46.00	45.90	45.80	45.70	45.60	45.50	45.40	45.30	45.20	45.10	45.00	44.90	44.80	44.70	44.60	44.50	44.40	44.30	44.20	44.10	44.00	43.90	43.80	43.70	43.60	43.50	43.40	43.30	43.20	43.10	43.00	42.90	42.80	42.70	42.60	42.50	42.40	42.30	42.20	42.10	42.00	41.90	41.80	41.70	41.60	41.50	41.40	41.30	41.20	41.10	41.00	40.90	40.80	40.70	40.60	40.50	40.40	40.30	40.20	40.10	40.00	39.90	39.80	39.70	39.60	39.50	39.40	39.30	39.20	39.10	39.00	38.90	38.80	38.70	38.60	38.50	38.40	38.30	38.20	38.10	38.00	37.90	37.80	37.70	37.60	37.50	37.40	37.30	37.20	37.10	37.00	36.90	36.80	36.70	36.60	36.50	36.40	36.30	36.20	36.10	36.00	35.90	35.80	35.70	35.60	35.50	35.40	35.30	35.20	35.10	35.00	34.90	34.80	34.70	34.60	34.50	34.40	34.30	34.20	34.10	34.00	33.90	33.80	33.70	33.60	33.50	33.40	33.30	33.20	33.10	33.00	32.90	32.80	32.70	32.60	32.50	32.40	32.30	32.20	32.10	32.00	31.90	31.80	31.70	31.60	31.50	31.40	31.30	31.20	31.10	31.00	30.90	30.80	30.70	30.60	30.50	30.40	30.30	30.20	30.10	30.00	29.90	29.80	29.70	29.60	29.50	29.40	29.30	29.20	29.10	29.00	28.90	28.80	28.70	28.60	28.50	28.40	28.30	28.20	28.10	28.00	27.90	27.80	27.70	27.60	27.50	27.40	27.30	27.20	27.10	27.00	26.90	26.80	26.70	26.60	26.50	26.40	26.30	26.20	26.10	26.00	25.90	25.80	25.70	25.60	25.50	25.40	25.30	25.20	25.10	25.00	24.90	24.80	24.70	24.60	24.50	24.40	24.30	24.20	24.10	24.00	23.90	23.80	23.70	23.60	23.50	23.40	23.30	23.20	23.10	23.00	22.90	22.80	22.70	22.60	22.50	22.40	22.30	22.20	22.10	22.00	21.90	21.80	21.70	21.60	21.50	21.40	21.30	21.20	21.10	21.00	20.90	20.80	20.70	20.60	20.50	20.40	20.30	20.20	20.10	20.00	19.90	19.80	19.70	19.60	19.50	19.40	19.30	19.20	19.10	19.00	18.90	18.80	18.70	18.60	18.50	18.40	18.30	18.20	18.10	18.00	17.90	17.80	17.70	17.60	17.50	17.40	17.30	17.20	17.10	17.00	16.90	16.80	16.70	16.60	16.50	16.40	16.30	16.20	16.10	16.00	15.90	15.80	15.70	15.60	15.50	15.40	15.30	15.20	15.10	15.00	14.90	14.80	14.70	14.60	14.50	14.40	14.30	14.20	14.10	14.00	13.90	13.80	13.70	13.60	13.50	13.40	13.30	13.20	13.10	13.00	12.90	12.80	12.70	12.60	12.50	12.40	12.30	12.20	12.10	12.00	11.90	11.80	11.70	11.60	11.50	11.40	11.30	11.20	11.10	11.00	10.90	10.80	10.70	10.60	10.50	10.40	10.30	10.20	10.10	10.00	9.90	9.80	9.70	9.60	9.50	9.40	9.30	9.20	9.10	9.00	8.90	8.80	8.70	8.60	8.50	8.40	8.30	8.20	8.10	8.00	7.90	7.80	7.70	7.60	7.50	7.40	7.30	7.20	7.10	7.00	6.90	6.80	6.70	6.60	6.50	6.40	6.30	6.20	6.10	6.00	5.90	5.80	5.70	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.00	2.90	2.80	2.70	2.60	2.50	2.40	2.30	2.20	2.10	2.00	1.90	1.80	1.70	1.60	1.50	1.40	1.30	1.20	1.10	1.00	0.90	0.80	0.70	0.60	0.50	0.40	0.30	0.20	0.10	0.00	-0.10	-0.20	-0.30	-0.40	-0.50	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.20	-1.30	-1.40	-1.50	-1.60	-1.70	-1.80	-1.90	-2.00	-2.10	-2.20	-2.30	-2.40	-2.50	-2.60	-2.70	-2.80	-2.90	-3.00	-3.10	-3.20	-3.30	-3.40	-3.50	-3.60	-3.70	-3.80	-3.90	-4.00	-4.10	-4.20	-4.30	-4.40	-4.50	-4.60	-4.70	-4.80	-4.90	-5.00	-5.10	-5.20	-5.30	-5.40	-5.50	-5.60	-5.70	-5.80	-5.90	-6.00	-6.10	-6.20	-6.30	-6.40	-6.50	-6.60	-6.70	-6.80	-6.90	-7.00	-7.10	-7.20	-7.30	-7.40	-7.50	-7.60	-7.70	-7.80	-7.90	-8.00	-8.10	-8.20	-8.30	-8.40	-8.50	-8.60	-8.70	-8.80	-8.90	-9.00	-9.10	-9.20	-9.30	-9.40	-9.50	-9.60	-9.70	-9.80	-9.90	-10.00	-10.10	-10.20	-10.30	-10.40	-10.50	-10.60	-10.70	-10.80	-10.90	-11.00	-11.10	-11.20	-11.30	-11.40	-11.50	-11.60	-11.70	-11.80	-11.90	-12.00	-12.10	-12.20	-12.30	-12.40	-12.50	-12.60	-12.70	-12.80	-12.90	-13.00	-13.10	-13.20	-13.30	-13.40	-13.50	-13.60	-13.70	-13.80	-13.90	-14.00	-14.10	-14.20	-14.30	-14.40	-14.50	-14.60	-14.70	-14.80	-14.90	-15.00	-15.10	-15.20	-15.30	-15.40	-15.50	-15.60	-15.70	-15.80	-15.90	-16.00	-16.10	-16.20	-16.30	-16.40	-16.50	-16.60	-16.70	-16.80	-16.90	-17.00	-17.10	-17.20	-17.30	-17.40	-17.50	-17.60	-17.70	-17.80	-17.90	-18.00	-18.10	-18.20	-18.30	-18.40	-18.50	-18.60	-18.70	-18.80	-18.90	-19.00	-19.10	-19.20	-19.30	-19.40	-19.50	-19.60	-19.70	-19.80	-19.90	-20.00	-20.10	-20.20	-20.30	-20.40	-20.50	-20.60	-20.70	-20.80	-20.90	-21.00	-21.10	-21.20	-21.30	-21.40	-21.50	-21.60	-21.70	-21.80	-21.90	-22.00	-22.10	-22.20	-22.30	-22.40	-22.50	-22.60	-22.70	-22.80	-22.90	-23.00	-23.10	-23.20	-23.30	-23.40	-23.50	-23.60	-23.70	-23.80	-23.90	-24.00	-24.10	-24.20	-24.30	-24.40	-24.50	-24.60	-24.70	-24.80	-24.90	-25.00	-25.10	-25.20	-25.30	-25.40	-25.50	-25.60	-25.70	-25.80	-25.90	-26.00	-26.10	-26.20	-26.30	-26.40	-26.50	-26.60	-26.70	-26.80	-26.90	-27.00	-27.10	-27.20	-27.30	-27.40	-27.50	-27.60	-27.70	-27.80	-27.90	-28.00	-28.10	-28.20	-28.30	-28.40	-28.50	-28.60	-28.70	-28.80	-28.90	-29.00	-29.10	-29.20	-29.30	-29.40	-29.50	-29.60	-29.70	-29.80	-29.90	-30.00	-30.10	-30.20	-30.30	-30.40	-30.50	-30.60	-30.70	-30.80	-30.90	-31.00	-31.10	-31.20	-31.30	-31.40	-31.50	-31.60	-31.70	-31.80	-31.90	-32.00	-32.10	-32.20	-32.30	-32.40	-32.50	-32.60	-32.70	-32.80	-32.90	-33.00	-33.10	-33.20	-33.30	-33.40	-33.50	-33.60	-33.70	-33.80	-33.90	-34.00	-34.10	-34.20	-34.30	-34.40	-34.50	-34.60	-34.70	-34.80	-34.90	-35.00	-35.10	-35.20	-35.30	-35.40	-35.50	-35.60	-35.70	-35.80	-35.90	-36.00	-36.10	-36.20	-36.30	-36.40	-36.50	-36.60	-36.70	-36.80	-36.90	-37.00	-37.10	-37.20	-37.30	-37.40	-37.50	-37.60	-37.70	-37.80	-37.90	-38.00	-38.10	-38.20	-38.30	-38.40	-38.50	-38.60	-38.70	-38.80	-38.90	-39.00	-39.10	-39.20	-39.30	-39.40	-39.50	-39.60	-39.70	-39.80	-39.90	-40.00	-40.10	-40.20	-40.30	-40.40	-40.50	-40.60	-40.70	-40.80	-40.90	-41.00	-41.10	-41.20	-41.30	-41.40	-41.50	-41.60	-41.70	-41.80	-41.90	-42.00	-42.10	-42.20	-42.30	-42.40	-42.50	-42.60	-42.70	-42.80	-42.90	-43.00	-43.10	-43.20	-43.30	-43.40	-43.50	-43.60	-43.70	-43.80	-43.90	-44.00	-44.10	-44.20	-44.30	-44.40	-44.50	-44.60	-44.70	-44.80	-44.90	-45.00	-45.10	-45.20	-45.30	-45.40	-45.50	-45.60	-45.70	-45.80	-45.90	-46.00	-46.10	-46.20	-46.30	-46.40	-46.50	-46.60	-46.70	-46.80	-46.90	-47.00	-47.10	-47.20	-47.30	-47.40	-47.50	-47.60	-47.70	-47.80	-47.90	-48.00	-48.10	-48.20	-48.30	-48.40	-48.50	-48.60	-48.70	-48.80	-48.90	-49.00	-49.10	-49.20	-49.30	-49.40	-49.50	-49.60	-49.70	-49.80	-49.90	-50.00	-50.10	-50.20	-50.30	-50.40	-50.50	-50.60	-50.70	-50.80	-50.90	-51.00	-51.10	-51.20	-51.30	-51.40	-51.50	-51.60	-51.70	-51.80	-51.90	-52.00	-52.10	-52.20	-52.30	-52.40	-52.50	-52.60	-52.70	-52.80	-52.90	-53.00	-53.10	-53.20	-53.30	-
----------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---

[illegible][illegible][illegible][illegible][illegible][illegible]

● FT Cityline Unit Trunk Prices: dial 0881 430010 and key in a 5 digit code listed below. Calls are charged at 30p/minute cheap rate and 49p/minute at all other times. International access available by subscription only. For more call the FT Cityline Help Desk on 071-673

● FT Cityline Unit Trunk Prices: dial 0881 430010 and key in a 5 digit code listed below. Calls are charged at 30p/minute cheap rate and 49p/minute at all other times. International access available by subscription only. For more call the FT Cityline Help Desk on 071-673

[illegible]

FT MANAGED FUNDS SERVICE

[illegible]

© FT Citiline Link Trust Printer: rtd 0901 430010 and low in a 5 digit code listed below. Calls are charged at 89p/minute cheap rate and 49p/minute at all other times. International access available by subscription only. For more details call the FT Citiline Help Desk on 071-575 4372.

© FT Citiline Link Trust Printer: rtd 0901 430010 and low in a 5 digit code listed below. Calls are charged at 89p/minute cheap rate and 49p/minute at all other times. International access available by subscription only. For more details call the FT Citiline Help Desk on 071-575 4372.

[illegible]

MONEY MARKET FUNDS

	2005	2006	2007	2008
Revenue	1,000	1,000	1,000	1,000
Operating expenses	800	800	800	800
Operating income	200	200	200	200
Interest expense	100	100	100	100
Income before taxes	100	100	100	100
Taxes	30	30	30	30
Net income	70	70	70	70

[illegible]

	PLC Premier Acc	PLC Premier Acc	PLC Premier Acc
10 Angel Court, London EC2R 7HE	071-036 16		
£250,000 +	1.00	3.75	5.00
£10,000-£250,000	4.25	3.75	
£2,500-£10,000	3.75	2.81	3.80
Dividend Account	2.75	2.50	2.75

COUNTRY RATES														
	C\$	S	Y	Rate		July 8	Over night	One month	Three months	Six months	One year	Long term	Dis. rate	Promo rate
				302.9		Belgium	6	6%	6%	6%	6%	7.40	4.50	-
	2.245	178	198.2	1.250		week ago	5	5%	5%	5%	6%	6.10	4.50	-
				1.250		France	5	5%	5%	5%	5%	6%	6.10	4.75
		635.5		0.523		week ago	5%	5%	5%	5%	5%	6.10	-	6.75
	2.177	178	193.1	1.254		Germany	4.98	4.98	4.98	4.98	5.10	5.00	4.50	4.50
		635.6	0.520	0.505		week ago	5.10	4.90	4.95	4.95	5.10	5.00	4.50	5.00
				1.254		Ireland	5	5%	5%	5%	5%	6%	6.10	4.50
	2.011	1.447		1.192		week ago	5%	5%	5%	5%	5%	6%	-	6.25
	0.857	0.817	80.79	0.508		Italy	5	5%	5%	5%	5%	6%	6.10	4.50
		1.708	76.71	0.682		Netherlands	4.97	4.94	4.98	5.00	5.24	5.25	-	5.25
		1.381		0.557		week ago	4.97	4.94	4.98	5.00	5.24	5.25	-	5.25
	1.188	76.54		0.676		Switzerland	4	4%	4%	4%	4%	6.25	3.50	-
	2.140	150.4	151.8	1.288		week ago	4	4%	4%	4%	4%	6.25	3.50	-
	1	1.720	70.59	0.585		U.S.	4	4%	4%	4%	4%	6.25	3.50	-
		1.381		0.557		week ago	4	4%	4%	4%	4%	6.25	3.50	-
	14.10	10.14		0.530		U.S.	4	4%	4%	4%	4%	6.25	3.50	-
	1.316		1			week ago	4	4%	4%	4%	4%	6.25	3.50	-

[illegible][illegible][illegible]

	Jul 84	Jul 1		Jul 84	Jul 1
Rate on call	\$800m	\$900m	Top accepted rate	4.6739%	4.6739%
Rate on 3-month	\$175m	\$145m	Ave. rate of discount	4.6894%	4.6829%
Rate on 6-month	\$50m	\$50m	Average yield	5.0179%	5.0144%
Rate on 12-month	\$85,700	\$85,700	Offer of new tender	\$200m	\$200m
Interest on mkt. loan	80%	12%	Mkt. accept. Jul 102 days		

FT GUIDE TO WORLD CURRENCY

The FT Guide to World Currencies table can be found on the Emerging Markets page in today's edition.

■ Pinned In New York

	—Cash—	—Pct. disc.—
1 month	1.5450	1.5450
3 month	1.5480	1.5380
6 month	1.5485	1.5381
1 yr	1.5442	1.5365

Deposit	4.05	1	4.04 (3-30)			
Rates for principal customers						
\$50,000 and above	3.68	4.20	3.72			
\$25,000 to \$49,999	3.23	3.84	3.35			
\$10,000 to \$24,999	1.90	3.68	4.00			
\$5,000 to \$9,999	1.25	3.10	4.32			
Rates for non-principal customers						
\$50,000 and above	3.75	3.84	3.86			
\$25,000 to \$49,999	3.75	3.78	3.84			

[illegible]

Bank Accounts							
	\$10,000 to \$24,999	4.68	3.39	4.58			
	\$25,000 to \$29,999	4.28	3.19	4.38			
Money	Int.	Cash	Ad Br.				
Affiliated Home Bank plc							
30 City Centre, London EC7Y 5PY							
Treasury Account - for professional advisors							
	0FT-688 8079						
Jaffar Nodda Bank Ltd							
10 Wyndham Place Cannon							
St James							
5 Mls Fixed Rate Deposit Acc	8.90	4.90	8.00				
3 Mls Fixed Rate Deposit Acc	8.78	4.31	5.80				
1 Mls Fixed Rate Deposit Acc	8.73	4.31	5.80				

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401
1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401
1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401
1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143																																																																																																																																																																																																																																																																		

225,000-250,000	478	1,828	1,828	500				
250,000 or more	479	3,78	5,12	500				
Monthly fee fee - for personnel and training classes				400				
Up to \$25,000	428	2,438	4,07	500				
\$25,000 - \$50,000	429	3,36	4,67	500				
\$50,000 - \$100,000	430	3,375	4,89	500				
\$100,000 or more	479	3,923	4,88	500				

Money Market options - please inquire

Remploycycle Finance Group 8 Barry Way, Hook, Hampshire £50,000 - 1.25	3.94	6336	7000					
Leopold Joseph & Sons Limited 29 Cannon Street, London EC2N 7EA Twenty four hour interest charge 100%		671-686	630					

	Jul 8	Jul 9	Jul 10	Jul 11	Jul 12	High	Low	High	Low
4-E Eurozone 100	1310.0	1289.32	1372.04	1310.39	1383.67	1426.38	1303.48	1540.39	989.45
4-E Eurozone 200	1354.04	1308.00	1349.68	1364.71	1396.32	1407.58	1342.36	1477.96	1038.82
Ordinary	2331.4	2327.4	2357.7	2326.0	2396.4	2414.4	2298.5	2476.8	49.4
Cost Securities	121.4	122.5	121.9	117.6	119.8	123.94	120.3	127.49	48.5
Fixed Income	103.34	103.25	103.76	103.29	103.9	104.33	102.93	104.48	48.5
Gold Mines	1088.07	1079.34	1091.40	1082.20	1102.04	1108.74	1070.92	1107.40	92.10
Indicator Global Wides	217.4	217.4	217.2	222.3	226.3	227.48	195.0	249.7	63.5

Allied Trust Bank Ltd					
25 Doughty Hill, London, EC4A 3AT		071- 885 0870			
FORBIA (C2,001-)	5.84	4.00	5.84	Yearly	
TRIGRAM (C2,001-)	5.86	4.38	5.85	Yearly	
TRIGRAM (C2,001-)	5.84	4.25	5.84	Yearly	
GALCA (C2,001-)	5.53	3.88	5.53	Yearly	
WCA (C2,001-)	4.00	3.60			
WCA (C2,001-)	4.00				
Principles (2000-)	4.87		4.87	Yearly	
Principles (2000-)	4.87		4.87	Yearly	

Kleinwort Benson Ltd					
150 Abchurch Lane, London EC4A 3DF		071- 357 1941			
MICA (C2,000-)	3.875	2.80005	3.88000	Yearly	

Kleinwort Benson Private Bank					
in Group of Kleinwort Benson Investment Management Ltd		071- 357 1941			

FT GOLD MINES INDEX									
	% chg Jul 8	% chg Jun 7	1984 High	1984 Low	% of Gold Miners	Open price	% change	12 month High	12 month Low
Gold Mines Index (24)	100.00	-0.4	107.34	45.01	100.00	2.10	1257.00	1570.00	
England Index									
Africa (18)	100.00	0.0	111.00	39.70	4.15	244.00	1082.25		
South America (2)	100.00	-0.5	100.00	10.11	2.12	100.00	1083.10		
North America (2)	100.00	-1.00	100.00	25.50	0.71	100.00	1083.00		

copyright, The Financial Times Limited 1984.
figures in brackets show number of companies. Basis US dollars. Base Value: 100.00 01/01/82.
volatility: Gold Mines Index, July 8: 577.4; month's change: -0.4 points; Year ago: 593.2.

American Express Bank Ltd Barren House, Burgess Hill PO16 8AQ	0644 238444	021 South Quay Road, London NW8 3JL N.I.C.A. (22 300)	071-057 181 1,3075 2,8000 15,0000
High Performance Chess Account			
£1,000-£500.00	1.00	8.75	
£1,000-£2,500.00	3.82	8.63	
£2,500-£5,000.00	3.75	8.50	
£5,000-£10,000.00	3.00	8.37	
£10,000-£25,000.00	4.00	8.25	
£25,000-£50,000.00	3.15	8.15	
		8.00	
		7.85	
		7.70	
		7.55	
		7.40	
		7.25	
		7.10	
		6.95	
		6.80	
		6.65	
		6.50	
		6.35	
		6.20	
		6.05	
		5.90	
		5.75	
		5.60	
		5.45	
		5.30	
		5.15	
		5.00	
		4.85	
		4.70	
		4.55	
		4.40	
		4.25	
		4.10	
		3.95	
		3.80	
		3.65	
		3.50	
		3.35	
		3.20	
		3.05	
		2.90	
		2.75	
		2.60	
		2.45	
		2.30	
		2.15	
		2.00	
		1.85	
		1.70	
		1.55	
		1.40	
		1.25	
		1.10	
		0.95	
		0.80	
		0.65	
		0.50	
		0.35	
		0.20	
		0.05	
		0.00	

ise on the FT's European readership and to further target the
tes and further details please telephone:
071 873 3351

[illegible]

	1997	1998	1999	2000	2001	2002	2003
Switzerland	4	4%	4½	4½	4%	6.825	3.50
week ago	5%	4%	4%	4½	4½	6.825	3.50
UK	4½	4%	4%	5½	5½	-	3.50
week ago	4½	4%	4%	5½	5½	-	3.50
Japan	2	2½	2%	2½	2½	-	1.75
week ago	2½	2½	2½	2½	2½	-	1.75

INVESTORS - TRADERS - CORPORATE TREASURERS
SATQUOTE™ - Your single service for real time quotes.

Futures • Options • Bonds • Forex • News • Val 500/100
LONDON +71 329 3377
NEW YORK +212 269 6864 FRANKFURT +49 69 440071

**CLIENT
TRADING
ROOM**
PRIVATE CLIENTS

BERKELEY FUTURES LIMITED
88 DOVER STREET, LONDON W1X 3EB
TEL: 021 499 1188 FAX: 021 495 0000

FOR TRADERS ON THE MOVE

Currency, Futures, Indices and News updates 24 hours a day. For your 1 day free trial, call Futures Pager Ltd on 071-895 9400 now.

FUTURES PAGER


**TAX-FREE SPECULATION
IN FUTURES**

FullerMoney - the Global Strategy Newsletter

For more information, contact the publisher, John Wiley & Sons, Ltd, 100 Brook Hill Drive, West Nyack, NY 10994-2173, USA. Tel: +1 914 351 1200. Fax: +1 914 351 1201. Email: subinfo@wiley.com.
 Copyright © 2001 John Wiley & Sons, Ltd. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of John Wiley & Sons, Ltd.

FOREXIA FAX \$ £ Dm ¥
A 9 YEAR PUBLIC RECORD OF ACCURATE SHORT TERM FOREIGN EXCHANGE FORECASTING
DAILY FOREIGN EXCHANGE COMMENTARIES,
QUARTERLY FORECASTS

CHARTS, FORECASTS AND RECOMMENDATIONS
Tel: +44 81 948 8316 Full details of Fax: +44 81 948 8469
FOREXIA FAX - by using handset on your fax machine dial +44 81 332 7426

from Cecil Analysis Ltd
7 Swallow Street, London W1A 4TH, UK.
Exchange rate goes up to £1 = 1.80

CALLING SALE SPECIALISTS FOR OVER 20 YEARS

CMC
CORPORATION

Dealing Desk

11 Old Jewry
London EC2R 9DU
Tel: 071 863 0800
Fax: 071 972 0970

• FOREX • METALS • BONDS • STOCKS

TREND
LONDON LIMITED
17-19 Southgate Street, Winchester,
Hants SO23 9EH Fax 0424 774067

LEISURE & HOTELS - Cont

ON INTEGRATED

PROPERTY - Cont**PRINTS, WINES & CIGARETTES**

TRANSPORT - Cont

[illegible]

Micro Offer	<input type="checkbox"/>	385	-	13.2	1.3	May	May	28.3	3415
Micro Corp AG		384%	-5	13.2	1.3	Oct	Apr	17.9	-

[illegible]

Telegraph		17.0	2.1	18.6	22.90
Thompson		18.1	1.3	19.5	20.04

[illegible]

Real Bros	44	1100	-3.6	0.25	4.4	May Oct	28.3	3785
Schroders	44	1100	3.7	10.5	5.9	Oct May	28.3	3830

[illegible]

System Point	30	25	-	-	-	-	2175	Do
Command Point	25	10.2	-	-	-	-	-	Es
ECOM-Tab	12	-	-	-	-	170	1300	

Chrysler Financial Services	154	-6.8																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
-----------------------------	-----	------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

ASMO	91	135	-7	1.0	- Jan Nov	20.9	3789	SC
One	89	89		8.45	- May Nov	28.3	3799	SI

[illegible][illegible][illegible]

Pytes 12	4171	88	-1.1	83.2%	4.4	Apr Aug	14.2	1425
Grand		794	-2.5	8.1	-	Jul Dec	16.5	2000

Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY	973	1.0	1.0	1.1	May Day	26.5	2774
Allegiance	NY							

	No.	Price	Ways ch'gs	Liv net	Liv con.	Overhead paid	Liv ad.	Cy time
Known	77						10.12	89.88

Argers	PHIL	WR	223	5-6	181	2.2	Arg	5-6	181	2.2	Arg	5-6	181	2.2	Arg	5-6	181	2.2
Bryant	PHIL	WR	240	5-8	191	2.2	Bry	5-8	191	2.2	Bry	5-8	191	2.2	Bry	5-8	191	2.2
Johnson	PHIL	WR	216	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Robbery & Long	PHIL	WR	212	5-7	181	2.2	Rob	5-7	181	2.2	Rob	5-7	181	2.2	Rob	5-7	181	2.2
Johnson	PHIL	WR	207	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2	John	5-7	181	2.2
Johnson	PHIL	WR	211	5-7	181	2.2												

Country Counts	M	180	-1.3	4.3	2.2	Dec Jul	16.5	2006
Courts	M	798	-1.3	17.5	6	Aug Dec	78.2	2006

[illegible]

742p Crn Pt	203-2	-1.2	7.5	-	Nov May	28.3	3173
-------------	-------	------	-----	---	---------	------	------

Marine & Spencer	1992	112	10.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1
------------------	------	-----	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	---

TVX Gold	387 1/2p	-3.8	-	-	-
Toronto-Dominion	93 1/2	+1.2	87 1/2	-	13.8 1/2

[illegible]

Country classifications are based on those used for the FT-SE Actuaries

☐ **Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.**
☐ **Indicates increased or resumed trading.**
☐ **Indicates the company is closed or diverted.**
☐ **Represents a report update.**
☐ **Not officially UK listed; disclosure permitted under rule 505(a)(4).**

USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.

[illegible]

Official estimates.
T Figures assumed.
BY THE BUREAU OF ECONOMIC ANALYSIS

FT Share Service
The following information has been made in the UK:

The following changes have been made to the FI Share Information Service: Additions: Anway (Bldg & Constr), Acoustics, Hensley (Engr), Elmer (Engr).

FT Free Annual Reports Service
You can obtain the current annual/interim report of any company annotated with £ . Please quote the code FT8855. Ring 081-770 0770 from 24 hours including weekends or Fax 081-770 0322. If calling from outside the UK, ring +44 81 770 0770 or fax +44 81 770 0322. Payment will be sent the next working day, subject to availability.

FT Cityline
For up-to-the-second share prices call FT Cityline on 0336 43 or 0800 43 followed by the four-digit code listed after the share price. Calls charged at 30p per minute (cheat rate and 40p per minute at all other times).

An international service is available for callers outside the UK. Call 071-873 4378 (+44 71 873 4378, International for more information on FT Cityline).

4 pm class July 8

GET YOUR RIF
FROM HERE OR

Continued on next page

NYSE COMPOSITE PRICES

[illegible]

AMEX COMPOSITE PRICES

[illegible]

**GET YOUR FT DELIVERED TO
YOUR HOME OR OFFICE IN BELGIUM.**

A subscription hand delivery is available in any one of 98 postal codes throughout Belgium. We will deliver your daily copy of the FT* to your home or to your office at no extra charge to you. If you would like more information about subscribing please call Philippe de Norman on tel: 02/513.28.16 or fax your requirement to 02/511.04.72.

**NASDAQ NATIONAL MARKET**[illegible]

FT GUIDE TO THE WEEK

11

MONDAY

Mid-East peace phase two

Israel and the Palestinian Liberation Organisation, buoyed by the completion of the first phase of their peace process, begin talks in Cairo on the second phase - the extension of Palestinian self-rule from Gaza and Jericho across the West Bank.

Two working groups will meet concurrently. The first will discuss the transfer of power to the Palestinians in the education, health, social welfare, tourism and direct taxation. A second group considers the sensitive issue of Israel's failure to honour its commitment to release up to 6,000 Palestinian prisoners.

Germany presents plans for its six-month presidency of the European Union to finance ministers in Brussels. The agenda includes: a planned derogation committee to study whether EU and national laws are stifling job creation; macroeconomic guidelines for progress toward a single currency; and proposals for closer contacts with employment ministers to discuss labour market reform.

Nigeria's plans for democracy: The country's constitutional conference re-starts in Abuja, after a two-week adjournment to finish fitting out the delegates' accommodation. In the interim, Moshood Abiola

(above), the deposed winner of last year's presidential poll, has been arrested and charged with treason, and junior oil workers have gone on strike against military rule. On Tuesday, senior oil staff are due to join them. The strike could spread to other unions. Abiola's appeal for bail comes to court on Thursday.

Osaka District Court is due to rule on an appeal by central government, Kumamoto Prefecture and Chisso Corp. a chemicals group, against a ¥2bn (\$30m) compensation order awarded to a sufferer from mercury poisoning allegedly caused by Chisso.

Allitalia strikes: Staff at the Italian state airline plan a 24-hour strike in protest at restructuring plans aimed at turning round the loss-making national carrier.

Kazakhstan tax: A conference on creating an investor-friendly taxation system for the oil-rich central Asian republic of Kazakhstan begins at the Confederation of British Industry in London.

World Population Day has been declared by the United Nations, to highlight demographic problems. The UN's approach to family planning has been attacked by the Vatican as "biological colonialism".

12

TUESDAY

Auch Clinton ist Berliner

President Clinton will be treading in the footsteps of John F. Kennedy, with a big set-piece speech in Berlin.

His audience is eagerly awaiting a repetition of President Kennedy's famous grammatical gaffe - "Ich bin ein Berliner" - which actually means "I am a (Berlin) doughnut".

If President Clinton corrects the phrase to "Ich bin Berliner", it might mean what he wants it to mean.

German troops and the UN: The German constitutional court in Karlsruhe is due to pronounce on the divisive issue of whether German soldiers should in future be allowed to serve on missions outside the Nato area.

The court is expected to announce a qualified yes, with the proviso that all future missions, including blue-helmet exercises for the United Nations, should be individually approved by parliament.

Grim tally at Crédit Lyonnais: The French National Assembly publishes the report of its inquiry

into mismanagement at the state-owned Crédit Lyonnais bank which recorded a FF6.9bn (\$1.2bn) loss last year.

According to leaked accounts, the report criticises both the former bank president, Jean-Yves Haberer, for piling up bad loans, including more than FF400bn in doubtful property loans that have now been hived off into a separate state-backed company, and the French Treasury for not stepping in earlier.

Taiwan aid meetings: The foreign ministers of seven central American countries are meeting in Taipei to discuss development projects in their respective countries, for which Taiwan may consider providing funding or technical assistance.

Hosted by Taiwan's Ministry of Foreign Affairs, this will be the third annual meeting of the Central American Commission, whose members are Nicaragua, Guatemala, El Salvador, Honduras, Belize, Costa Rica and Panama.

All confer diplomatic recognition on Taiwan rather than on the People's Republic. In return, Taipei offers loans for development projects and small and medium-sized businesses and other forms of support.

UK training: Britain's 82 Training and Enterprise Councils hold their annual meeting at Birmingham International Conference Centre (to Thursday).

The councils are responsible for delivering government-funded training programmes and fostering economic development. The guest speaker is Prince Charles.

FT Surveys: France and World Automotive Components.

13

WEDNESDAY

Murder law faces overhaul

The Law Commission, the British government's law reform body, issues a consultation paper about the future of the 18th century "year and a day" rule. Under the rule, an assailant cannot be charged with murder or manslaughter if the victim dies more than a year and a day after the assault.

Barbara Mills QC, director of public prosecutions, has called for the rule to be abolished. She disclosed that six people had escaped possible prosecution for murder in recent years as a result of it.

Spanish economy: June's consumer price index, published today, is expected to show a 0.1 per cent fall in headline and underlying inflation to give year-on-year rates of 4.8 per cent and 4.5 per cent respectively. The Bank of Spain, which holds its 10-day repurchase tender of central bank certificates today, is likely to keep its benchmark intervention rate unchanged at 7.5 per cent.

UK economy: A spate of data today will focus attention on the pace of economic recovery.

The figures are expected to show that seasonally adjusted unemployment continued falling in June by some 20,000 a month - although analysts point out that this does not appear to be matched by rises in the employment total.

Meanwhile, May's average earnings data and June's retail price index are expected to indicate that inflationary pressures remain subdued in the economy, in spite of a steady industrial improvement.

An experiment in faith: More than 400 international delegates, comprising world class scientists, philosophers, and theologians, gather for the third annual C.S. Lewis Symposium at Queens' College, Cambridge. Today they will discuss "Ways of Knowing", in the course of a conference to explore the relevance of Christian faith to modern science (until July 23). Simon Barington Ward, C.S. Lewis' former colleague and chaplain, will attend.

Buxton Festival: The opera festival begins today in the Derbyshire spa town in England's Peak District (to July 31).



FT Survey: Argentina.



Political Football

Nuclear penalty: will North Korea's substitute adopt an attacking strategy in defiance of President Clinton and the UN?

14

THURSDAY

UK in talks on Falklands oil

British and Argentine negotiators meet in Buenos Aires for two days of talks to seek a formula that would allow development of Falkland Islands offshore oil reserves. Argentina claims the islands and threatens to obstruct the UK's unilateral exploitation of oil reserves. The Falklands' 2,000 inhabitants reject Argentina's participation, fearful that it will use this as a precedent to advance its claims to the islands.

India's public sector employees have called a one-day national strike to protest against privatisation.

UK defence spending: Big cuts in support services are expected to be announced by Malcolm Rifkind, defence secretary. Up to 24,000 jobs may be lost or privatised, with the RAF support services likely to be sharply affected. Several procurement decisions are also due.

French National Day: The annual Bastille Day parade down the Champs-Élysées takes place in Paris. For the first time foreign soldiers, from the four-nation Eurocorps, have been invited to take part, among them 190 regular German troops.

Golf: The 123rd Open Championship begins at Turnberry, near Ayr, Scotland (to July 17).

FT Surveys: Merseyside.

Holidays: France (Bastille Day).

15

FRIDAY

Delors' successor sought

German chancellor Helmut Kohl has called a summit of European Union heads of government to find a successor to Jacques Delors as president of the Commission. The decision follows the vetoing of Belgian prime minister Jean-Luc Dehaene by British prime minister John Major.

The German cabinet is supposed to approve the draft budget for 1995, with spending control and likely further restrictions on unemployment benefits, in an effort to keep the federal government borrowing requirement below DM70bn (\$48bn) a year. Mr Theo Waigel, finance minister, will spend all week negotiating final reductions.

Middle Europe redivivus: Prime ministers and foreign ministers of the Central European Initiative, which is composed of 10 nations from the territory of the former Habsburg Empire, begin a two-day meeting in Trieste, the old Empire's main port.

UK infrastructure: The A14 trunk road between the A1 and the M1, the only east-west link south of the M62 built to motorway standard, opens officially. The road improves travel between east-coast ports and the Midlands and the north of England.

London Proms: The 100th series of Henry Wood Promenade Concerts begins at the Albert Hall in London (to September 10).

Holidays: France.

16-17

WEEKEND

Korean summit nears

Japan's new prime minister Tomiichi Murayama may visit South Korea on Saturday in order to hold talks with President Kim Young-sam, in advance of the inter-Korean summit. The summit, scheduled to take place in the northern capital Pyongyang on July 25, may be affected by the recent death of North Korea's Communist leader Kim Il Sung.

In Taipei, polls to choose provincial local government for Taiwan/Fujian open on Saturday.

Colombo votes: The ruling United National Party begins its election campaign with a public rally in the central Kandy hills of Sri Lanka.

Mid-East shuttle: Warren Christopher, US Secretary of State, begins his third Middle East shuttle this year on Sunday. The intention is to revive the stalled peace talks between Israel and Syria about the giving up of the Israeli-occupied Golan Heights in return for full peace.

Mr Christopher's visit comes in the wake of warnings by Israeli leaders that the next three months represent a "make-or-break" period for a peace agreement with Damascus.

Football: The final of the World Cup is played in Los Angeles on Sunday.

Edited by Patrick Stiles and Martin Mulligan. Fax: (+44) (0)171 573 3194.

ECONOMIC DIARY

Statistics to be released this week

Day	Released	Country	Economic Statistic	Median Forecast	Previous Actual
Monday	7.15	France	June consumer prices index (prelim)	0.1%	0.2%
July 11	7.15	France	June consumer prices index (prelim)	1.9%	1.7%
UK	7.15	UK	June prod prices index, input	0.5%	0.5%
UK	7.15	UK	June prod prices index, output	-0.3%	-0.1%
UK	7.15	UK	June prod prices index, output	0.2%	0.0%
UK	7.15	UK	June prod prices index, output	2.1%	-2%
UK	7.15	UK	Ditto, ex food, drink & tobacco	2%	2%
Canada	7.15	Canada	June housing starts, units	162,000	157,000
Canada	7.15	Canada	May motor vehicle sales	2.1%	-4%
Tues	7.15	US	June producer prices index	0.3%	-0.1%
US	7.15	US	Ditto, ex food & energy	0.2%	0.4%
US	7.15	US	June Atlanta Fed index	-	14.8%
US	7.15	US	Johnson Redbook, w/e July 8	-	3.5%
US	7.15	US	June consumer prices index	0.5%	0.2%
US	7.15	US	Ditto, ex food, drink & tobacco	0.3%	0.3%
Japan	7.15	Japan	May machine orders, ex ships etc	-	-2.5%
Japan	7.15	Japan	May machine orders, ex ships etc	-	-14.2%
Netherlands	7.15	Netherlands	May producer prices index	-	-0.3%
Wed	7.15	France	Apr current acct	FF49.75bn	FF43.3bn
July 13	7.15	UK	June retail price index	0.1%	0.3%
UK	7.15	UK	June retail price index	2.7%	2.6%
UK	7.15	UK	Ditto, ex mortgage interest payments	2.6%	2.5%
UK	7.15	UK	June unemployment rate	-20,000	-20,100
UK	7.15	UK	May average earnings	3.75%	3.75%
UK	7.15	UK	May unit wages, 3 monthly	1.9%	1.9%
Thurs	7.15	US	June retail sales	0.6%	-0.2%
Jul 14	7.15	US	Ditto, ex autos	0.8%	0.3%
US	7.15	US	Initial claims, July 9	337,000	332,000
US	7.15	US	State benefits, July 2	-	2.75m
US	7.15	US	M2, w/e July 4	\$2.3bn	\$1.7bn
US	7.15	US	Monthly M2	-68.8bn	\$1.2bn
Sweden	7.15	Sweden	June consumer prices index	2.6%	2.3%
US	7.15	US	June industrial production	0.4%	0.2%
July 15	7.15	US	June capacity utilisation	83.7%	83.5%
US	7.15	US	May business inventories	0.6%	0.2%
US	7.15	US	June bank credit	-	-2.1%
Japan	7.15	Japan	May industrial production	-	-1.9%
Japan	7.15	Japan	May shipments	-	-2.1%
Canada	7.15	Canada	June consumer prices index, not	0.0%	-0.2%
Canada	7.15	Canada	Ditto, ex food & energy, not	0.2%	-0.1%
During the week...					
Japan		Japan	June wholesale price index	-	0.1%
Japan		Japan	June wholesale price index	-	-2.3%
Germany		Germany	May retail sales, west	0.3%	-10%
Germany		Germany	Ditto, non Germany	0.5%	-10%
Germany		Germany	June wholesale price index	0.3%	0.5%
France		France	May M3	0.3%	0.5%
Italy		Italy	May industrial production, not	1.3%	-1%
Italy		Italy	1st qtr gross domestic product	1.2%	0.3%

*month on month, **year on year, †seasonally adjusted. Statistics, courtesy MMS International.

Other economic news

Monday: As markets digest the implications of the G7 policy meeting last weekend, a spate of inflation data will be issued this week. In the UK, the June producer price index will be scrutinised for any sign that rising commodity prices and industrial growth are raising prices. Input prices are expected to increase slightly on the month, but to remain below last year's levels.

In Germany, May's retail sales data, issued early this week, may point to a small annual improvement in spending, but consumer confidence remains fragile.

Tuesday: With the markets now predicting that the US will be at the forefront of any pick-up in world inflation, June's consumer price index will be watched with interest. It is expected to show a small monthly rise.

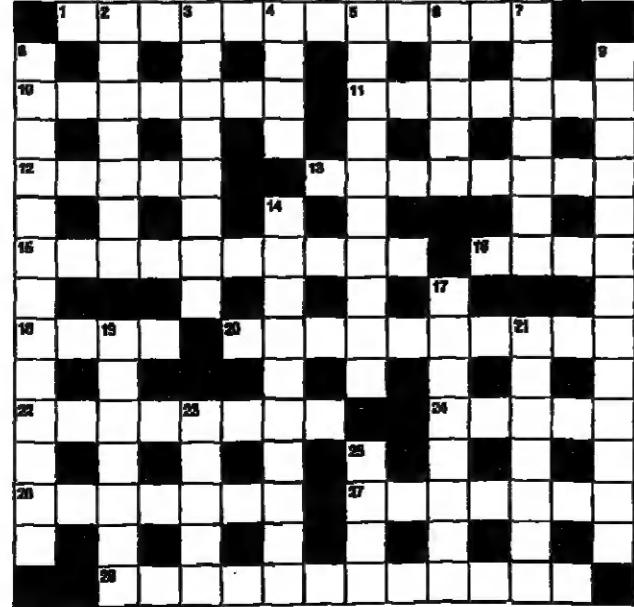
Friday: June wholesale price indices for Japan and Germany are due at the end of the week. The German index may have risen slightly on the month, the Japanese one is expected to be flat. May's industrial production data are likely to provide further indication that the sharp downturn in Japanese manufacturing last year is now bottoming out.

ACROSS

- Down washed up, a significant development (13)
- Companion that is smart above all (7)
- Arrested retired man as in trouble (7)
- Cat previously put outside, you said (3)
- Feeling Peter to a new musical performance (5)
- Doctor at No 1 backs remedy (10)
- Hearts left after bride's reply (4)
- Arrivals on divan brought back last night (4)
- Bargains were agents sorted out (10)
- Shift a bed around for the renegade (3)
- Language of love in one lacking brilliance (5)
- It involves folding paper for a girl I'm preparing (7)
- Managed to continue to find capital (7)
- Turning red, gent's then given braces? (13)

DOWN

- Were supreme soldiers ignored or overlooked? (7)
- Capone forces criminal out of doors (8)
- Plays from Tolstoy superbly produced (4)
- Communist, not married, employed and transferred elsewhere (10)
- Say something extreme (5)
- Man's man holds ball raised aloft (7)
- Quarters loan (13)
- Prove to me conservationists wanted business (13)
- For men only race standing still (10)
- Good French members came round providing atmosphere (8)
- Puts down sound fruit (7)
- Offensive order one is bothered about (7)
- Look under church pew (5)
- Irritate fellow and return without vase (4)



MONDAY PRIZE CROSSWORD

No.8,502 Set by GRIFFIN

A prize of a Pelikan New Classic 300 fountain pen for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers will be awarded. Solutions by Thursday July 21, marked Monday Crossword 8,502 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 1UL. Solution on Monday July 25.

Name: _____
Address: _____

Winners 8,490

Gillian Malcolm, Chiswick

S. Armitage, Birmingham

Mark Cantley, Brussels

G.P. French, Ontario

T.L. Richardson, London, S.W.

Barry Roe, Leicester

Solution 8,490

VINDICATION PAL
ACROSS
1. DOWN
2. DOWN
3. DOWN
4. DOWN
5. DOWN
6. DOWN
7. DOWN
8. DOWN
9. DOWN
10. DOWN
11. DOWN
12. DOWN
13. DOWN
14. DOWN
15. DOWN
16. DOWN
17. DOWN
18. DOWN
19. DOWN
20. DOWN
21. DOWN
22. DOWN
23. DOWN
24. DOWN
25. DOWN
26. DOWN
27. DOWN
28. DOWN
29. DOWN
30. DOWN
31. DOWN
32. DOWN
33. DOWN
34. DOWN
35. DOWN
36. DOWN
37. DOWN
38. DOWN
39. DOWN
40. DOWN
41. DOWN
42. DOWN
43. DOWN
44. DOWN
45. DOWN
46. DOWN
47. DOWN
48. DOWN
49. DOWN
50. DOWN
51. DOWN
52. DOWN
53. DOWN
54. DOWN
55. DOWN
56. DOWN
57. DOWN
58. DOWN
59. DOWN
60. DOWN
61. DOWN
62. DOWN
63. DOWN
64. DOWN
65. DOWN
66. DOWN
67. DOWN
68. DOWN
69. DOWN
70. DOWN
71. DOWN
72. DOWN
73. DOWN
74. DOWN
75. DOWN
76. DOWN
77. DOWN
78. DOWN
79. DOWN
80. DOWN
81. DOWN
82. DOWN
83. DOWN
84. DOWN
85. DOWN
86. DOWN
87. DOWN
88. DOWN
89. DOWN
90. DOWN
91. DOWN
92. DOWN
93. DOWN
94. DOWN
95. DOWN
96. DOWN
97. DOWN
98. DOWN
99. DOWN
100. DOWN

If you need connections in Asia, talk to a local.



We fly 42 times weekly from Europe to Singapore connecting with over 300 flights to Asia, Australia and New Zealand. All about the world's most modern fleet, with inflight service even other airlines talk about.

SINGAPORE AIRLINES

Of breaking and jobbing the Pelikan's fond, see how sweetly he puts your word onto bond.

Pelikan

JOTTER PAD